

cosbots

Copyright Society of Botswana

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INTEGRATED
ANNUAL REPORT

What is COSBOTS

The Copyright Society of Botswana (COSBOTS) is a Collective Management Organisation (CMO) responsible for administering copyright and related rights in Botswana. Established to ensure that creators receive fair compensation for the use of their works, COSBOTS plays a crucial role in protecting and promoting intellectual property rights.

What Does COSBOTS Do?



**Licenses users
of copyrighted
works.**



**Collects and
distributes
royalties to
copyright holders.**



**Educates
stakeholders
on copyright
laws and best
practices.**



**Supports artists
and creators
through the
Social and
Cultural Fund.**



**Advocates for
intellectual
property rights
at national and
international levels.**

COSBOTS Mandate

COSBOTS is mandated to:



**Administer
copyright and
related rights on
behalf of rights
holders.**



**License users of
copyrighted works
and collect royalties.**



**Distribute royalties
to members.**



**Promote
awareness and
compliance with
copyright laws.**



**Support creative
industries through
strategic partnerships
and funding
programmes.**

About this Report

This report provides an in-depth overview of the activities, accomplishments, and financial status of COSBOTS for the financial year spanning from July 1, 2023 to June 30, 2024. The report aims to highlight key milestones, financial performance, and the impact of COSBOTS on the creative industry.

This report outlines the challenges faced by the organisation and presents strategic initiatives for the upcoming year. Through this report, stakeholders, members, and partners will gain valuable insights into the operations and governance of COSBOTS. It is our primary report to stakeholders, and it outlines our strategy, business model, sustainability, initiatives, governance, and risk management, the Board Chairperson and the Chief Executive Officer's Report.

FINANCIAL INFORMATION:

The full set of audited consolidated and separate annual financial statements for the year ended June 30, 2024, will be available to members upon written request to the company secretary. The annual financial statements will be made available to such members at no cost. These annual financial statements were prepared in compliance with International Financial Reporting Standards (IFRS). MSD Mesotlo And Associates audited the annual financial statements. The auditors report is an independent report to COSBOTS members report.

ASSURANCE:

COSBOTS operates in an established controlled environment, which is documented and reviewed. Risk management and internal control procedures exist to provide reasonable but not absolute assurance that COSBOTS risks are being controlled and its assets safeguarded. MSD Mesotlo and Associates will provide external assurance of the financial information supplies in this report.

REPORTING FRAMEWORKS AND REGULATIONS:

The preparation of this report was guided by the following reporting frameworks and regulations, International Financial Reporting Standards (IFRS) and Companies Act.

APPROVAL OF THE REPORT:

The Board of Directors (The Board) is responsible for the integrity and completeness of this report. The Board applied its collective mind to preparing and presenting the report and accordingly approved the report for publication.

Signed on behalf of the Board



Ms. Bakalanga Malikongwa
Board Chairperson



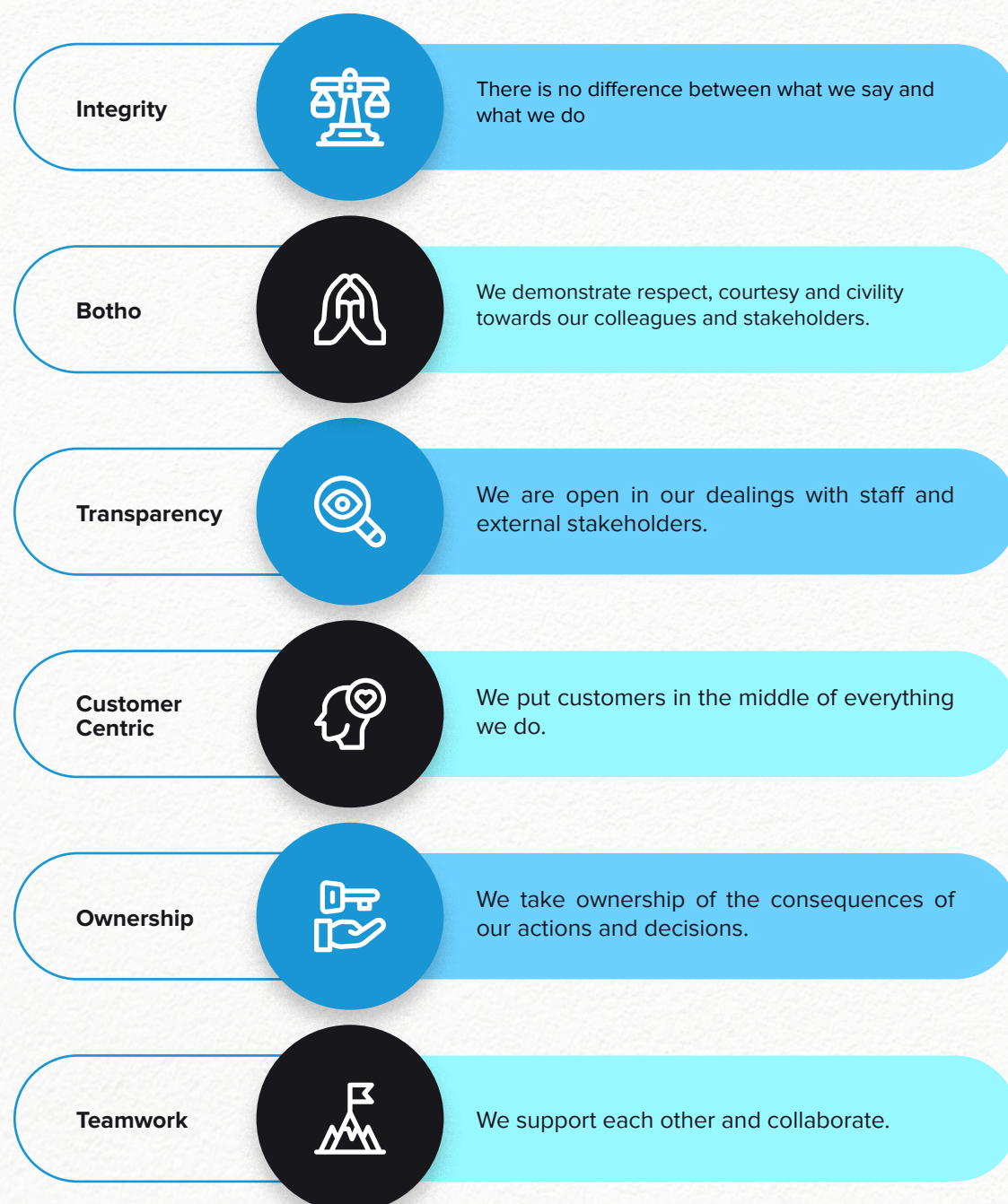
Ms. Winnie Winani Sekani
Treasurer

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Core Values

COSBOTS is committed to the following core values:



Zoom in on Audio Visual



Definition of Audiovisual Rights

“Audiovisual rights grant creators, producers, and rightsholders exclusive control over works that combine moving images and sound such as films, television series, music videos, and commercials. These rights cover reproduction, performance, broadcasting, and distribution, ensuring fair compensation whenever audiovisual content is used by broadcasters, cinemas, digital platforms, or other users.”

Key Elements Covered Under Audiovisual Rights

1. **Reproduction Right** – Copying or reproducing audiovisual works in any format.
2. **Communication to the Public** – Broadcasting or streaming via television, cinema, radio, or online platforms.
3. **Distribution Right** – Sale, rental, or digital distribution of works.
4. **Public Performance** – Exhibition in public spaces such as cinemas, hotels, or airplanes.
5. **Synchronization Right** – Use of music in timed relation with visual images.

COSBOTS' Role

As Botswana's recognised CMO, COSBOTS manages audiovisual rights on behalf of its members by:

- Licensing works across broadcasters, streaming services, and public venues.
- Monitoring usage across multiple platforms.
- Collecting royalties from users of audiovisual content.
- Distributing earnings fairly to composers, directors, scriptwriters, producers, and performers.

Example in Practice

When a Botswana-produced film is aired by a local broadcaster, COSBOTS licenses the usage, collects royalties, and distributes payments to the rightful rightsholders ensuring both creative value and fair reward are protected.

Zoom in on Music Sector



Definition of Music Sector

“The music sector is one of the most vibrant and influential areas of COSBOTS’ mandate, representing composers, songwriters, lyricists, publishers, performers, and producers. COSBOTS licenses the use of music across radio and television broadcasting, live performances, hospitality venues, and increasingly, digital and streaming platforms.”

Key Elements Covered Under Music Sector

1. **Broadcast Licensing** – Music used on radio and television.
2. **Public Performance** – Music played at concerts, festivals, hotels, restaurants, and community events.
3. **Digital and Streaming Rights** – Licensing of music on online platforms and streaming services.
4. **Reproduction Rights** – Copying or converting music into physical or digital formats.
5. **Cultural Promotion** – Preserving local music heritage and supporting Botswana’s creative industries.

Role of a CMO in Managing Music Sector

As the collective management organisation for music rights in Botswana, COSBOTS:

- Licenses music use across multiple platforms and venues.
- Invests in digital tracking and distribution systems to ensure accuracy.
- Collects royalties from broadcasters, venues, and digital platforms.
- Distributes earnings fairly to members, supporting sustainable livelihoods.

Example in Practice

When a music streaming service makes Botswana’s music available online, COSBOTS licenses the usage, tracks consumption, collects royalties, and ensures that payments are distributed to the composers, performers, and publishers strengthening both the industry and cultural identity.

cosbots

Zoom in on Reprography Rights



Definition of Reprography Rights

“Reprography rights protect the reproduction of literary and academic works, such as books, journals, newspapers, and other publications through photocopying, scanning, and digital sharing. These rights ensure that authors, researchers, and publishers are fairly recognised and compensated whenever their works are reproduced in educational, professional, or institutional contexts.”

Key Elements Covered Under Reprography Rights

- 1. Reproduction Right** – Copying or scanning works into physical or digital formats.
- 2. Communication to the Public** – Sharing or making copies accessible within institutions.
- 3. Distribution Right** – Circulating reproduced copies in physical or digital form.
- 4. Educational Use** – Reproduction of works in classrooms, universities, and libraries.
- 5. Institutional Licensing** – Lawful reproduction by schools, government departments, and reprographic centres.

Role of a CMO in Managing Reprography Rights

As Botswana’s mandated CMO, COSBOTS manages reprography rights on behalf of authors, publishers, and researchers by:

- Administering blanket licences with schools, universities, libraries, government agencies, and reprographic centres.
- Ensuring fair recognition and remuneration for the continued use of members’ works.
- Monitoring usage across institutions to uphold compliance.
- Supporting the balance between access to knowledge and protection of intellectual property.

Example in Practice

When a university reproduces journal articles or book chapters for teaching purposes, COSBOTS issues the licence, collects royalties, and distributes payments to the relevant authors and publishers, ensuring that knowledge is shared responsibly while creators receive their due reward.

Board Chairperson's Report

Dedication to Our Fallen Members

Let me begin by paying my deepest respects to our fallen members — our brothers and sisters in the creative community who are no longer with us. Their absence is deeply felt, yet their legacy continues to echo through the songs they composed, the stories they told, and the art they gifted to our nation.

We remember them not only as creators, but as pioneers who opened doors for others; as mentors who guided the younger generation; as colleagues who stood with us in times of struggle and triumph; and as friends and family whose spirit enriched our lives.

Their contributions were not in vain. They shaped the cultural fabric of Botswana, leaving behind works that will continue to inspire generations yet unborn. Today, we honour their memory by reaffirming our commitment to protect, preserve, and elevate the very rights they worked so hard to defend.

May we carry forward their vision with dignity and courage, ensuring that their voices are never silenced, and their names are never forgotten.

INTRODUCTION

It is both an honour and a privilege to present the Board Chair's Report at the 2024 Annual General Meeting of the Copyright Society of Botswana (COSBOTS). This report reflects on the milestones we have achieved, the challenges we have faced, and the key strategic decisions that have guided our journey over the past year.

Our mission remains unwavering: to safeguard the rights of our members, to drive operational excellence, and to position COSBOTS as a globally competitive Collective Management Organisation (CMO). Above all, we are committed

to strengthening Botswana's creative economy, ensuring that the works of our composers, authors, artists, and performers are not only valued but fairly rewarded.

Since the 2021 AGM, I have consistently reiterated a promise, one that I made alongside this Board, to place the interests of our members at the heart of all our decisions. That promise was twofold: to maximise the value of our members' rights by distributing at least 70% of our income as royalties by 2025, and to exercise strict financial discipline by reducing our cost-to-income ratio.

I am proud to report that, despite operating within a challenging economic climate characterised by declining government revenues since the COVID-19 pandemic era and compounded by wider global uncertainties, this Board has not only advanced towards its stated objectives but has also made remarkable progress. We have remained steadfast in our commitment, transforming ambition into measurable outcomes and delivering tangibly on the pledges we made to our members.

It is with profound pride that I confirm that, according to the 2024 audited financial statements, the distribution-to-income ratio stands at 72%. This translates into P14,540,081.00 of distributable income from the P20,180,354.00 generated through licensing activities. Of this, P9,572,621.39 was distributed to local members, representing 66% of the distributable income, signifying a drop of 6% from last year's 72%. We, COSBOTS, the Department of Broadcasting Services (DBS), National Arts Council of Botswana (NACB), the Ministry of Sports & Arts need to do better as partners and custodians of the creative industry.

To place this in perspective, the 2023 audited financials recorded a distribution-to-income ratio of 68%. The improvement to 72% in 2024 demonstrates both consistent growth and our disciplined management approach. This positive

trajectory reflects our determination to continually maximise value for members, even under difficult conditions.

While our aspiration, in line with our understanding with the Department of Broadcasting Services, is to achieve an 80/20 distribution ratio, it is important to recognise that such milestones require time, persistence, and continued growth. The progress we have made demonstrates that we are on the right trajectory, and with collective resolve, we will reach that promised land.

Reprography remains a strategic revenue stream for COSBOTS, complementing music royalties by licensing the photocopying and digital reproduction of literary and artistic works in education and research settings. Following tariff approvals in March 2022, we executed two distributions: the first at P1,800,000.00 and a second at P2,420,000.00, a 34.4% increase driven primarily by progress in licensing tertiary institutions. This uplift validates the underlying demand and the effectiveness of our enforcement and stakeholder engagement.

ENGAGING WITH OUR STAKEHOLDERS

The Copyright Society of Botswana (COSBOTS) exists to protect, manage, and promote the intellectual property rights of creators, ensuring that their work is properly recognised and fairly rewarded. In 2024, our advocacy and partnerships remained central to this mission, both within Botswana and on the global stage.

- Local Advocacy:** We continued to champion members' rights through sustained engagement with government, regulators, and industry peers. A key priority has been opposing legislative reforms that could undermine the value of creative works. In particular, COSBOTS has drawn important lessons from international campaigns against "fair use" provisions, which have consistently proven to erode the livelihoods of creators. Our stance remains clear and uncompromising: protecting the economic and moral rights of our members is non-negotiable.
- Blockchain and Digital Transformation:** Blockchain technology offers new possibilities for transparent royalty tracking, smart contracts, and secure licensing frameworks. These innovations could drastically improve accountability in rights management. However, without updated legislation, Botswana risks lagging behind in embracing these global practices.
- New Models of Creation and Distribution:** The digital era has fundamentally reshaped how works are created, shared, and monetised. Creators increasingly depend on online platforms, streaming services, and digital marketplaces. Legislative frameworks must evolve to reflect this reality and ensure fair compensation in a borderless marketplace.
- Artificial Intelligence (AI):** AI has introduced unprecedented questions into copyright discourse. From AI-generated music and visual art to machine-learning systems trained on vast datasets of copyrighted works, the very definition of creativity and originality is being challenged. Without robust laws, creators' rights risk being diluted in ways that could irreversibly harm the creative sector. Given these sweeping changes, COSBOTS continues to urge government to accelerate the review and modernisation of Botswana's copyright framework. Our engagement is not only about opposing harmful provisions but also about ensuring that our creators are future-proofed in a rapidly evolving digital environment.
- International Engagement:** COSBOTS strengthened its partnerships with leading

global bodies, including WIPO, ARIPO, IFRRO, CISAC, SCAPR, and IFPI, to ensure that Botswana's creative voice continues to resonate on international copyright platforms.

A key development has been our participation in drafting the new ARIPO regulations on the Levies on Technical Devices Fund (LTDF), globally referred to as Private Copying Remuneration (PCR). These forthcoming regulations will guide Botswana towards aligning with global best practice, whereby PCR/LTDF revenues are distributed directly to artists through their national CMO, in our case, COSBOTS.

We are also proud to report that COSBOTS has been formally approved by IFPI as an International Standard Recording Code (ISRC) Manager. This is a transformative milestone for Botswana's music industry, as it will allow producers to undergo training and rollout sessions to embed ISRC assignment directly into their production processes. With ISRCs automatically attached to songs at the creation stage, works will carry metadata from inception, significantly improving identification, tracking, royalty collection, and international recognition for Botswana's music creators.

Furthermore, COSBOTS has partnered with the Department of Broadcasting Services (DBS) on a pioneering Fingerprinting and Digitisation of Music Project. Under this initiative, all music submitted to DBS will be fingerprinted and stored in a centralised database. This shared database between COSBOTS and DBS will ensure that every piece of music played on broadcasting platforms is recognised, thereby curbing the issue of unreported or untraceable music usage. The project represents a major step forward in empowering creatives, as it enhances transparency, strengthens data accuracy, and guarantees that members' works are fairly accounted for in royalty distributions.

Together, these initiatives, the PCR framework, ISRC rollout, and fingerprinting project, position Botswana's creative sector to

integrate fully with global copyright practices, ensuring that local creators benefit equitably in an increasingly digital world.

OTHER RIGHTS PROJECT

In 2024, COSBOTS successfully concluded the Other Rights Project, a historic initiative that unlocked P1.3 million in royalties for creators and their heirs. This project was not simply about revenue; it was about restoring dignity and recognition to Botswana's cultural pioneers, poets, folklore custodians, traditional choirs, and other creators whose works have shaped our national identity for decades.

For many years, these works were performed, broadcast, and archived without systematic attribution or recognition. As a result, royalties accrued but remained unallocated due to incomplete records and the absence of a structured copyright framework during the early years of broadcasting. COSBOTS took the responsibility to resolve this legacy challenge, ensuring that the rightful heirs and families of these creators were finally acknowledged and compensated.

The project was a multi-layered exercise, involving collaboration with the Department of Broadcasting Services (DBS), consultations with retired broadcasters, extensive community outreach across villages, and corroboration through oral histories, affidavits, and archival evidence. Beneficiaries included folklore legends, poets, and producers such as Thapson Gaoabiwe, Sebotso Solly Ramasole, Swabi George, Tito Warona Kenneth, Berman Ntirelang, and Ketshabile Mmotseng, among others.

The reactions of beneficiaries and their families were deeply moving, with many describing the recognition as a moment of restored pride and heritage. This project has reinforced COSBOTS' role not only as a royalty administrator but also as a custodian of cultural heritage. It is a powerful reminder that "No song is forgotten, no poet overlooked, and no cultural pioneer left behind."

Looking forward, COSBOTS, through its MoU with DBS, is building a comprehensive folklore and

traditional works database to prevent such legacy gaps in the future. This initiative will ensure that royalties are properly tracked, that cultural works are preserved, and that the creative economy remains inclusive of both contemporary and traditional creators.

OUTLOOK FOR 2025 AND BEYOND

As we look ahead, COSBOTS enters 2025 with renewed determination to consolidate the gains of recent years while tackling the challenges that remain. The creative economy is evolving rapidly, shaped by technological disruption, shifting regulatory landscapes, and changing consumption patterns and our task is to ensure that Botswana's creators not only survive but thrive in this environment.

Our priorities for the year ahead can be summarised in five strategic pillars:

Build Trust

COSBOTS will continue to deliver consistently on its commitments, upholding transparency and accountability in all operations. We will strengthen reporting processes and ensure that members and stakeholders have full confidence in our governance and financial integrity.

Enhance Services

Member engagement remains central to our mandate. We will improve communication, streamline service delivery, and expand support programmes to ensure members feel valued, heard, and empowered. Initiatives such as training on ISRC codes, rights management education, and outreach to rural creatives will be intensified.

Leverage Technology

We will continue to harness digital innovation from ISRC roll-out and music fingerprinting with the Department of Broadcasting Services, to exploring blockchain and metadata systems to unlock new economic value for creators and to reduce royalty leakage. Our goal is to position COSBOTS as a technologically advanced CMO aligned with global best practice.

Strengthen Governance

Robust governance remains the backbone of COSBOTS. We will refine our structures, policies, and compliance frameworks, ensuring that COSBOTS meets both national legal requirements and international standards. This includes board training, committee strengthening, and embedding a culture of ethical leadership at all levels.

Expand Partnerships

Collaboration is essential for growth. COSBOTS will deepen its engagement with government ministries, regulators, peer associations, and international organisations such as WIPO, CISAC, IFRRO, ARIPO, and IFPI. Locally, we will intensify partnerships with associations like BOMU, FANFABO, BOSS, BOFIA and the Botswana Music Legends Association just to mention a few, ensuring sector-wide progress.

Our vision is clear, a future where no artist is left behind, where every creative work is recognised, and where Botswana's cultural heritage is celebrated as an economic driver. The year 2025 will be about building on momentum, tackling the unfinished work, and preparing COSBOTS for the next decade of growth and global competitiveness.

APPRECIATION

As we reflect on the past year, it is important to recognise those whose dedication and support have made our progress possible. I wish to record my sincere appreciation to:

- **My Fellow Board Members** – For your unwavering commitment, diligence, and unity in guiding COSBOTS through both opportunities and challenges. Your collective wisdom and oversight continue to strengthen our governance and strategic direction.
- **Advisory Committee** – I wish to especially acknowledge our Advisory Committee, whose guidance, insights, and independent perspectives have been invaluable. By bringing together experienced voices from across the creative and governance spectrum, the committee has strengthened our policy

direction, enhanced accountability, and ensured that COSBOTS' strategy remains aligned to both member needs and industry best practice.

- **COSBOTS Employees** –Without your daily commitment to excellence, our vision would not become reality.
- **Our Members** – The very reason we exist. Thank you for entrusting COSBOTS with your works. Your creativity is our inspiration, and it is our solemn duty to ensure that your rights are protected and rewarded.
- **Arts Associations** – We extend heartfelt appreciation to Arts Associations. Your role in mobilising, uniting, and empowering artists is vital to the strength of Botswana's creative sector. COSBOTS remains committed to working alongside you as partners, not competitors, in building a vibrant cultural and economic future.
- **Stakeholders & Partners** – From government ministries and regulatory bodies to local institutions and our international allies, your collaboration and support have been invaluable. Together, we are building a stronger, more inclusive, and globally competitive creative industry for Botswana.

CLOSING REFLECTION

This year has brought with it both challenges and triumphs, yet through it all, we have stood united in our mission: to protect, empower, and uplift the creators of Botswana. From strengthening our financial performance, to advancing technology-driven solutions, to restoring dignity to our folklore pioneers, our journey has reaffirmed one central truth — no song is forgotten, no poet overlooked, and no cultural pioneer left behind.

To our members across Botswana and beyond: your creativity is the heartbeat of COSBOTS. It is the reason we exist and the inspiration that drives

our work. Every distribution made, every policy defended, and every partnership built is anchored in our promise to honour your contributions and secure your rightful place in both the cultural and economic life of our nation.

As we look to the future, let us draw courage from the voices of our forebears whose art still speaks across generations. Their legacy is our compass, reminding us that we are not only administrators of royalties, but custodians of heritage. Together, we will continue to ensure that Botswana's creative works are valued, protected, and celebrated — today, tomorrow, and for generations to come.

For COSBOTS, and for every artist we serve, no song will ever be forgotten.



Ms. Bakalanga Malikongwa
Board Chairperson



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Copyright Society of Botswana





IN LOVING MEMORY OF
Mphafe Mokgalagadi
MPHAFE

COSBOTS Year In Perspective

Highlights with Pictures of Key Events and Achievements





IN LOVING MEMORY OF
Ditiro Dijeng

At a Glance: Annual Performance in Figures



P20,180,354
Total Licensed Revenue

P14,540,081
Total Distribution





IN LOVING MEMORY OF
Ernest Molaodi

OUR AFFILIATES



OUR PARTNERS



Benefits Of Cosbots Membership

COSBOTS, as a Collective Management Organisation (CMO), offers its members:



**Royalty collection
and distribution.**



**Legal protection
and advocacy for
copyright holders**



**Access to
funding and
support through
the Social and
Cultural Fund.**



**Educational
programmes
on copyright
and intellectual
property rights.**

SOCIAL & CULTURAL FUND

STAKEHOLDER ENGAGEMENT LICENSING

MENTAL HEALTH, ANTI-DRUG AND
SUBSTANCE ABUSE CAMPAIGN

P207,444.97

P233,835.30

MEMBERS BEREAVEMENT ASSISTANCE

P67,650.00

DONATIONS

P82,492.19

MEMBERS CAPACITY BUILDING
WORKSHOPS

COVID RELIEF

P212,861.90

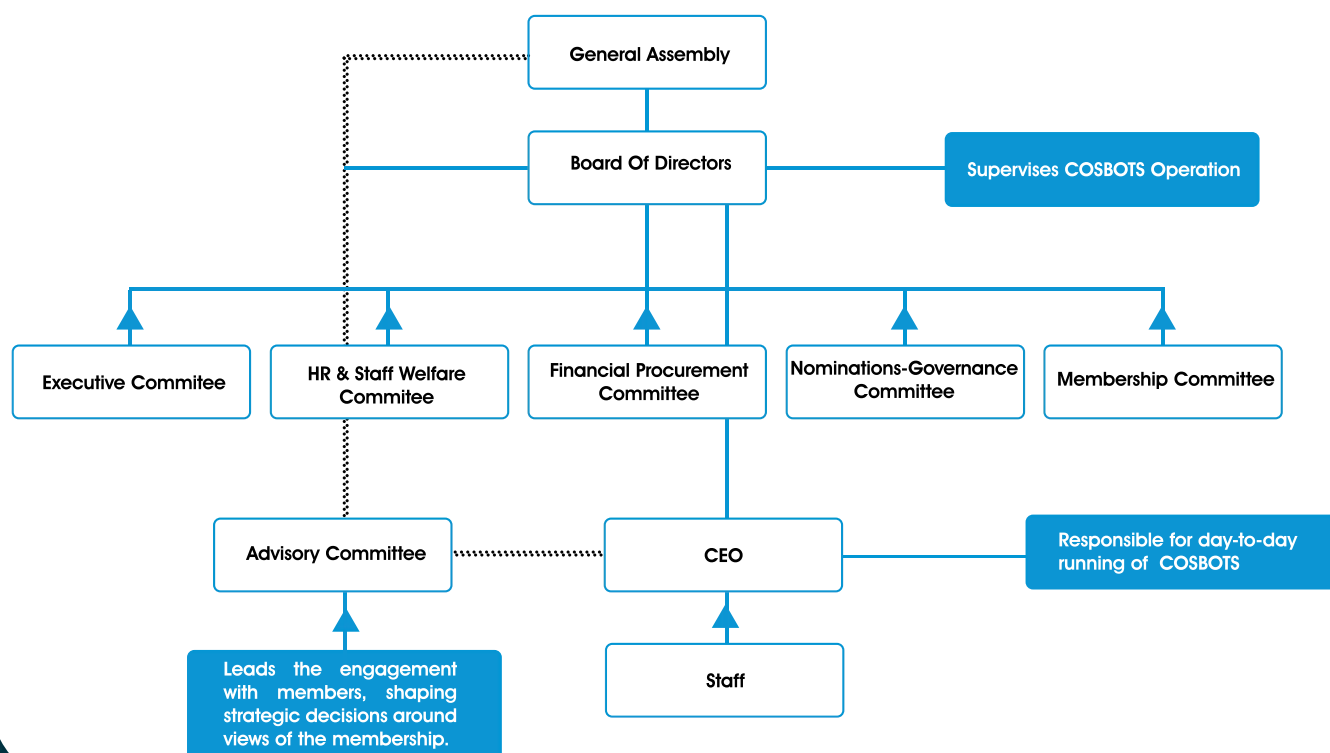
P11,000.00

EXTRAORDINARY GENERAL MEETING

P146,641.00

Governance Structure

THE GENERAL ASSEMBLY



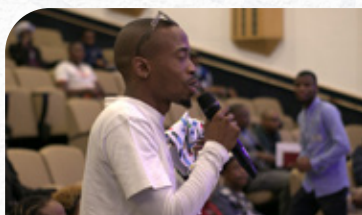


IN LOVING MEMORY OF
Lesang Segosebe
TSWANA RHYTHM

A Glance into 2024

COSBOTS EGM- 3 FEBRUARY 2024

On the 3rd of February 2024, COSBOTS hosted an Extra-Ordinary General Meeting (EGM) to allow members to convene, deliberate on key governance matters, and formally retire two members from the COSBOTS Board of Directors. The meeting was conducted simultaneously in two locations—Gaborone and Francistown—to ensure broader accessibility and participation by members across the country. This EGM formed part of COSBOTS’ ongoing commitment to democratic governance, transparency, member-driven and decision-making within the organization.



COSBOTS & BOMU- ANTI DRUG AND SUBSTANCE ABUSE IN THE CREATIVE INDUSTRY CAMPAIGN- 9 APRIL AND 16 APRIL 2024 (4 EVENTS)

COSBOTS, in collaboration with the Botswana Musicians Union (BOMU), conducted a series of workshops under the banner of the “Anti-Drug and Substance Abuse in the Creative Industry Campaign.” The initiative, branded as “Sobriety Is Talent: Above the Influence,” is a multifaceted campaign designed to address the growing concerns surrounding drug and substance abuse within Botswana’s creative sector.

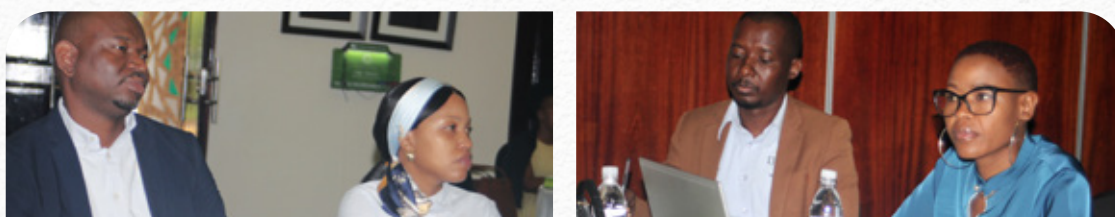
So far, the campaign has reached four major locations—Gaborone, Francistown, Maun, and Serowe—where it has engaged creatives through interactive sessions, educational talks, and wellness activities. The overarching goal is to create a lasting and positive impact by raising awareness, promoting mental health and self-care, and equipping artists with the knowledge and tools to make informed, healthy lifestyle choices. Through these efforts, COSBOTS aims to foster a thriving, substance-free creative industry where talent can flourish without the hindrance of addiction or dependency.



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COSBOTS STAKEHOLDER ENGAGEMENT BREAKFAST MEETING- 4 DECEMBER

On the 4th of December 2023, COSBOTS hosted a stakeholder breakfast meeting aimed at sensitizing key partners on critical issues surrounding copyright and the importance of proper licensing. Held under the theme “Enhancing a Compliance Culture,” the event brought together representatives from various sectors including broadcasting, private companies and government institutions. The meeting provided a platform for COSBOTS to highlight the legal and economic value of copyright compliance, discuss challenges related to unauthorized use of creative works, and promote collaborative efforts to build a culture of respect for intellectual property rights. Attendees were also briefed on recent developments in licensing processes and the benefits of compliance for both users and creators.

ROYALTIES DISTRIBUTION WORKSHOP- 7 DECEMBER 2023

A royalties distribution workshop was held to provide members with a comprehensive overview of the annual royalty distribution process. During the session, COSBOTS representatives presented detailed information on how royalties were calculated, the sources of revenue, and the criteria used for disbursing payments to rights holders. The workshop also created an open platform for members to raise questions, seek clarification on their individual earnings, and discuss any concerns related to the accuracy or fairness of the distribution. This initiative was part of COSBOTS' ongoing commitment to transparency, accountability, and member engagement in the management of intellectual property rights.



OTHER RIGHT HOLDERS PROJECTS

COSBOTS embarked on the Other Rights Holders project to identify and notify creators involved in choral music, folklore, traditional songs and dance, and poetry whose works had accrued royalties. As part of this initiative, COSBOTS conducted a cross-country outreach tour, visiting areas such as Shakawe, Gumare, and various rural villages. The goal was to locate the original creators, copyright holders, or heirs of the works detected by their monitoring system. This effort aimed to ensure that royalties were distributed to the rightful owners.



Organisational Structure & Services





IN LOVING MEMORY OF
Thamelo Joseph
REAXCION

CEO's Report

INTRODUCTION

The year 2024 will be remembered as a year of steady growth and purposeful progress for the Copyright Society of Botswana (COSBOTS). As custodians of copyright and related rights in Botswana, our mission has always been to safeguard the interests of our members while building a sustainable and transparent institution. This year's performance reflects not only strong financial outcomes, but also the maturity of COSBOTS as an organisation driven by accountability, efficiency, and service to the creative community.

ACHIEVEMENTS AND MILESTONES

We are proud to report that revenues reached another record high, reflecting a healthy increase of 8% compared to 2023. This achievement underscores the trust and confidence placed in COSBOTS by our members, licensees, and partners across the creative value chain. Equally significant, distributions to our members and international affiliates grew to P14.5 million in 2024, representing a P3 million increase up 22% from the previous year. This milestone demonstrates our relentless commitment to ensuring that creators receive fair and timely rewards for their intellectual property, while reinforcing COSBOTS' role as a reliable and transparent collective management organisation.

A further highlight was achieved on the operational front: for the first time since inception, total costs as a percentage of revenue dropped below 30% to be exact 28%. This reflects disciplined financial management, efficiency improvements, and the Board and Management's shared determination to deliver greater value to members while ensuring sustainability. Together, these milestones reaffirm COSBOTS' position not only as a custodian of rights, but as a pillar of growth, accountability, and innovation for Botswana's creative sector. They are a testament to the hard work of our Board, staff, and stakeholders who remain united in advancing the rights and livelihoods of creators.

DIGITAL TRANSFORMATION HIGHLIGHTS

COSBOTS is embracing technology and global best practices to modernise rights management, enhance transparency, and ensure our members receive faster and more accurate payments. Our digital transformation journey positions us as among the regional leaders and global partners in innovation.

KEY MILESTONES

- **WIPO CONNECT**
 - Adopted as our core system for rights management.
 - Strengthens data accuracy, global interoperability, and royalty tracking.
- **CMO in a Box (NORCODE)**
 - Supports digitisation of operations and member services.
 - Provides a robust platform for governance and efficiency.
- **Music Fingerprinting Project (with Department of Broadcasting Services)**
 - Ensures accurate detection of music usage on national broadcasters.
 - Reduces under-reporting and strengthens revenue assurance.
- **Enhanced Music Monitoring with IMONITOR**
 - Expands our ability to track music usage.
 - Provides creators with real-time performance insights.
- **Universal Member Identification**
 - Every COSBOTS member has now been assigned an International Performer Identifier (IPI), ensuring precise recognition and attribution of their works worldwide.
 - Through our WIPO CONNECT partnership with ISNI, we are extending this milestone even further — by the end of 2025, all members will also be equipped with an International Standard Name Identifier (ISNI), cementing their presence in the global creative ecosystem.

- **ISRC Manager Appointment**
 - COSBOTS is now Botswana's official International Standard Recording Code (ISRC) Manager.
 - Empowers creators to fully participate in the global digital music economy.
- **Global Partnerships for Faster Payments**
 - Collaborations with international affiliates improve the speed, accuracy, and transparency of royalty distributions.
 - Sets the stage for rolling out efficiencies in line with CISAC and IFRRO global standards.

By embedding these innovations into our operations, COSBOTS is shaping a future-ready creative economy for Botswana. We are not just keeping pace with international standards, we are setting the standard for rights management in the region and beyond.

GLOBAL RECOGNITION

As highlighted by our Board Chairperson, Ms. Malikongwa, our performance aligns with the positive trajectory of the global music industry. Both the CISAC and IFPI Global Music Reports continue to show consistent revenue growth year-on-year, reinforcing the resilience of creative industries worldwide.

What makes 2024 especially significant is that Botswana, through COSBOTS, was explicitly referenced in these reports. This recognition places COSBOTS on the international map of collective management organisations making measurable contributions to the global creative economy. It also affirms the credibility of our governance, licensing, and royalty distribution practices, which have matured to a level that now commands attention in global industry discourse.

For Botswana, this mention is not merely symbolic, it signals the country's creative sector as an emerging force in the global marketplace. For COSBOTS, it validates years of hard work in building trust, transparency, and operational excellence. It further

demonstrates that our growth is not occurring in isolation but is actively contributing to the momentum of a thriving international music industry.

This global visibility strengthens our position when engaging with partners, both regionally and internationally. It enhances confidence in Botswana's ability to manage rights with integrity and creates opportunities for deeper collaboration in licensing, technology adoption, and cross-border royalty flows.

Being recognised by CISAC and IFPI is therefore both an honour and a responsibility — an honour to see Botswana's creative sector celebrated globally, and a responsibility to continue raising the bar in how we serve our members and protect their rights in a fast-changing world.

MUSIC AND BEYOND

While music remains at the heart of our operations, COSBOTS is steadily evolving into a comprehensive collective management organisation that safeguards and grows the value of creativity across all artistic disciplines. Our mandate and vision extend beyond music royalties, ensuring that every creator in Botswana, whether a songwriter, musician, author, publisher, filmmaker, or visual artist, finds a home for their rights under COSBOTS' stewardship.

In 2024, we proudly celebrated our second reprography distribution, marking an important step in supporting authors and publishers in Botswana. This achievement demonstrates our ability to diversify and manage rights across multiple sectors, ensuring that all forms of intellectual property are recognised, protected, and rewarded.

Our forward-looking strategy also embraces audiovisual rights, where global and regional licensing frameworks are expanding rapidly in response to the digital economy. COSBOTS is actively preparing to position Botswana's creators within these frameworks, ensuring that their works, whether broadcast, streamed, or reproduced, generate fair compensation at home and abroad.

This integrated approach allows COSBOTS to

serve as the national home for all creative rights. By consolidating music, reprography, audiovisual, and other rights under one trusted institution, we not only deliver efficiency but also build a unified and stronger creative economy for Botswana. This

holistic positioning makes COSBOTS a model in the region and an emerging leader on the global stage. Ultimately, our mission is clear, to ensure that Botswana's creators, in every artistic discipline, are empowered, recognised, and rewarded. Through

FINANCIAL PERFORMANCE



this expansion “beyond music,” COSBOTS is laying the foundation for a creative rights ecosystem that is inclusive, sustainable, and globally competitive.

On an accounting basis, as demonstrated below, our organisation achieved moderate but solid financial success in 2024, despite the broader challenges of a tightening economy. Total revenue increased by 8% compared to the previous year, reflecting a combination of strong operational execution, governance renewal, and strategic interventions.

KEY DRIVERS OF REVENUE GROWTH

1. Improved Licensing Compliance

- Strengthened enforcement and awareness campaigns led to higher compliance rates among broadcasters, event organisers, and digital platforms.

2. Diversification of Revenue Streams

- The inclusion of reprography collections alongside music collections broadened COSBOTS' income base and demonstrated our capacity to manage multiple repertoires.

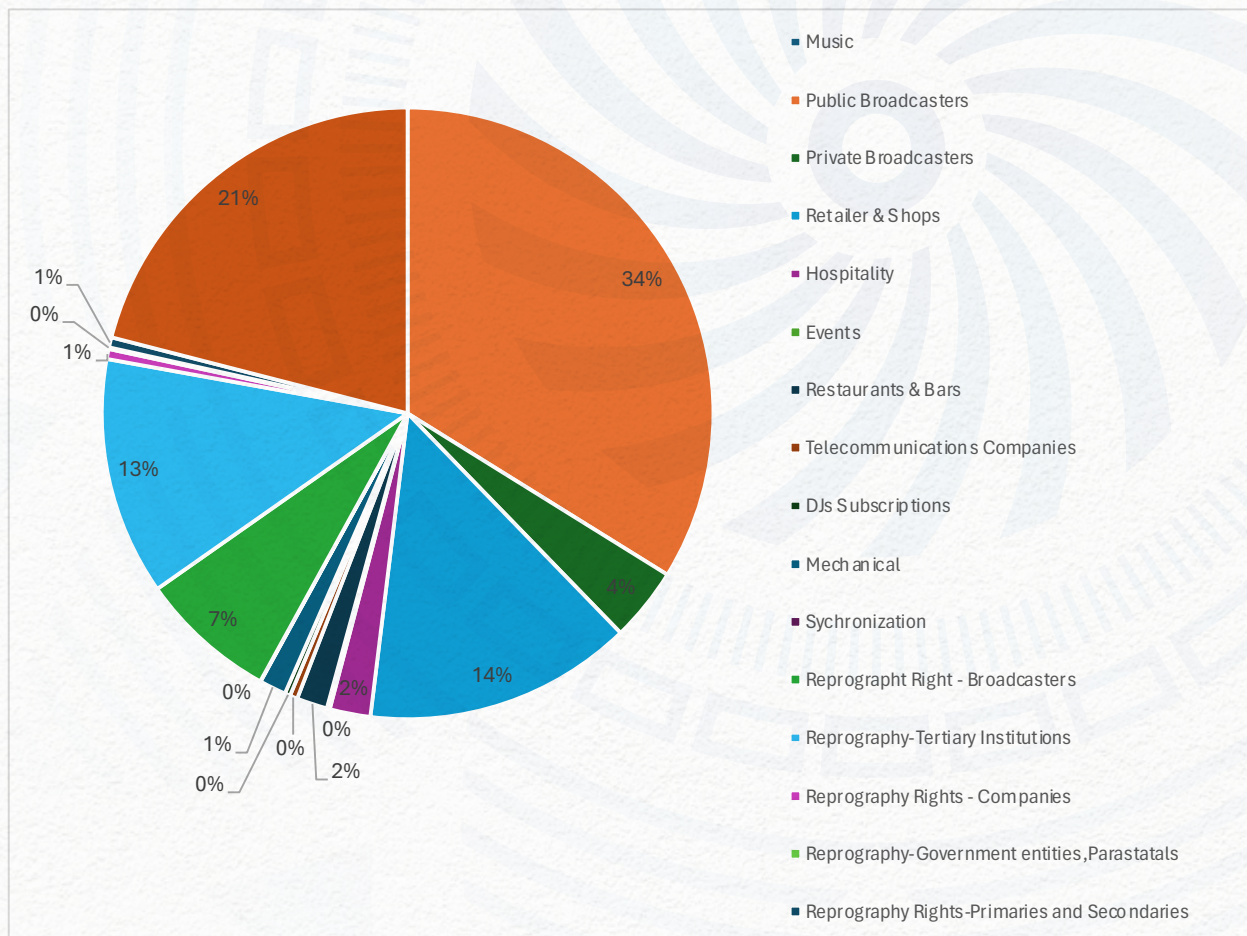
3. Regional and International Collaborations

- Partnerships with CISAC, IFPI, IFRRO, CAPASSO, and global affiliates enhanced cross-border licensing arrangements, contributing to faster and more reliable royalty flows into Botswana.

4. Financial Discipline

- Costs as a percentage of revenue dropped to 28%, the lowest since COSBOTS' inception, reflecting disciplined financial

REVENUE SEGMENTATION



management and efficiency improvements.

COSBOTS' revenue base continues to diversify, reflecting the organisation's ability to capture value from multiple sectors of the economy. In 2023/24, Public Broadcasters remained the single largest contributor, accounting for 34% of total revenue, underscoring the importance of national broadcasting platforms in the distribution and use of creative works. Music licensing contributed a further 21%, affirming its position as a cornerstone of COSBOTS' collections.

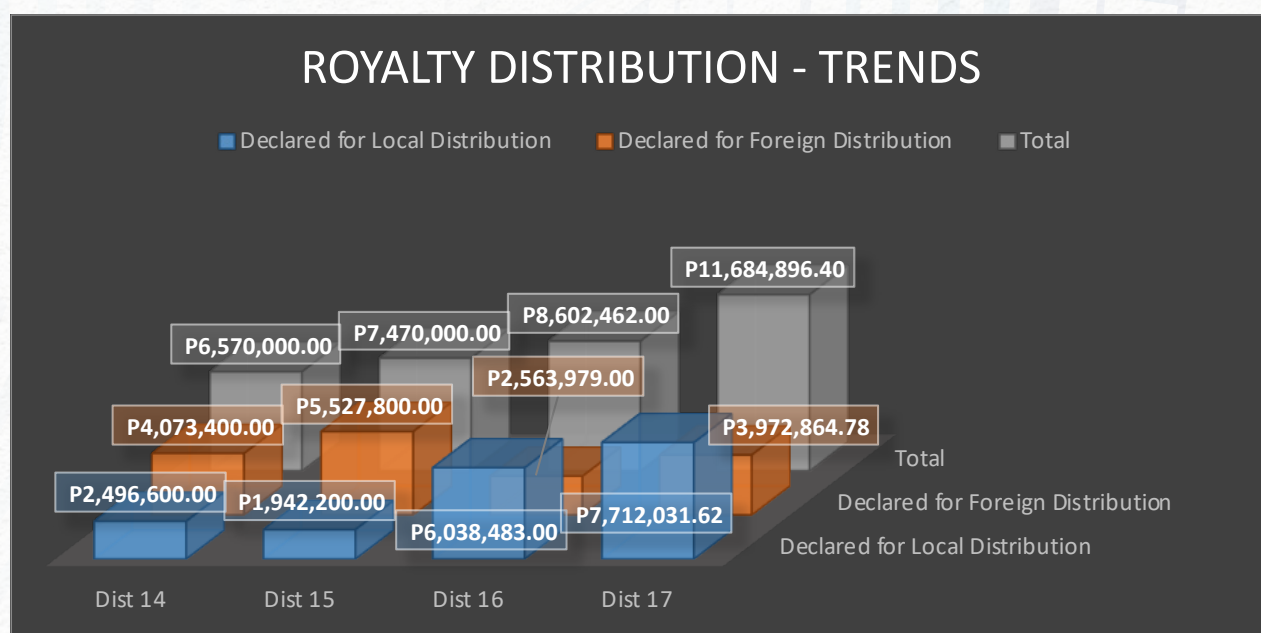
Other significant contributors included Retailers & Shops (14%) and Private Broadcasters (7%), highlighting the growing role of commercial establishments and independent broadcasters in supporting Botswana's creative economy. Reprography rights collectively represented an increasing share of revenue (with

Tertiary Institutions at 13% and Companies at 2%), marking an important step in broadening COSBOTS' collections beyond music and into text-and-image rights.

Smaller but strategically important segments, such as Hospitality (2%), Synchronization (2%), Restaurants & Bars (1%), and Telecommunications Companies (1%), indicate growth potential in markets where digital consumption, events, and public performance continue to expand.

This diverse revenue mix demonstrates COSBOTS' commitment to ensuring that creators benefit from every corner of the marketplace where their works are used. By extending into reprography, audiovisual rights, and digital licensing, COSBOTS is positioning itself as a comprehensive rights management hub capable of sustaining long-term growth for

NET ROYALTY DISTRIBUTION PAYOUT TRENDS



Botswana's creative industries.

Royalty distributions have shown a steady upward trend over the past cycles, underscoring COSBOTS' growing efficiency and effectiveness in delivering value to rights holders. From P6.57 million in Distribution 14 to a record P11.68 million in Distribution 17, the total amounts declared for both local and foreign distributions reflect consistent growth and stronger returns for members.

A notable feature of this trend is the increasing share of local distributions, which rose significantly from P2.49 million in Distribution 14 to P7.71 million in Distribution 17. This growth highlights the positive impact of enhanced monitoring systems, improved compliance among licensees, and COSBOTS' determination to ensure that creators within Botswana benefit more directly from the use of their works.

Foreign distributions also continue to play an important role, reflecting Botswana's integration into the global copyright community. While these

revenues fluctuate depending on international usage patterns, they remain a key component of total distributions with P3.97 million allocated to foreign affiliates in Distribution 17.

Overall, the segmentation of distributions demonstrates COSBOTS' dual commitment: to maximise local impact while ensuring Botswana's creators receive their fair share of royalties from international markets. This balance positions COSBOTS as both a national champion of creators' rights and an active contributor to the global creative economy.

Membership at COSBOTS has continued on a strong upward trajectory over the past five years, reflecting the growing trust and confidence of Botswana's creative community in the organisation. From a base of 2,086 members in 2019/20, membership has expanded steadily each year, reaching 3,291 members in 2023/24, an overall increase of 58% during this period.

MEMBERSHIP GROWTH AND DIVERSITY



This sustained growth is a clear indication that more creators are recognising the value of collective management, the importance of protecting their rights, and the benefits of being part of a global network of intellectual property recognition. It also demonstrates COSBOTS' effectiveness in outreach, education, and service delivery, ensuring that all categories of rights holders, from musicians to authors and publishers, see tangible benefits in affiliating with the organisation.

As COSBOTS continues to diversify into music, text and image rights, and audiovisual rights, the growing membership base not only strengthens the organisation's legitimacy but also enhances its ability to negotiate, license, and distribute royalties more effectively on behalf of all Botswana's creatives.

STRATEGIC PROJECTS AND THE ROAD AHEAD

We are proud to report that several transformational projects are already in motion, designed to future-proof COSBOTS and strengthen the value we deliver to our members:

- Upgrading our Licensing & Distribution Systems to accommodate the ever increasing volumes of data in today's digital market.

- Re-designing our website to ensure that customers, licensees, and members can interact with COSBOTS seamlessly and efficiently.
- A comprehensive review of all Public Performance Tariffs, ensuring fairness, sustainability, and alignment with global best practice.
- The introduction of Audio-Visual specific tariffs, to ensure creators are rewarded as consumption of visual content continues to grow.

Beyond these operational advancements, COSBOTS also took a policy leadership role in 2024. We championed the AI Strategy through government and our local partners in the intellectual property space. This strategy establishes ground rules for the responsible use of Artificial Intelligence, while the forthcoming Copyright and Related Rights legislation will be critical in ensuring that copyright remains respected and enforced in the digital age.

I extend my gratitude to Ms. Malikongwa and the Board for their steadfast support in 2024. In a world where the pace of change is accelerating, your expertise and guidance have been fundamental to our success.

The positive news for our members is clear: the use of creativity continues to expand globally. Our responsibility is to ensure that Botswana's creatives

receive their fair share of this ever-growing market. That means working with technology rather than against it, licensing all uses at their full value, and rigorously enforcing rights where necessary.

As we move forward, COSBOTS remains committed to building orderly, fair, and sustainable markets for creativity, markets where innovation thrives, but where creators are always recognised and rewarded.

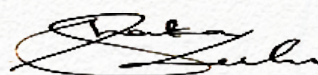
CONCLUSION

At the heart of COSBOTS' success are our members, the gifted creators whose works inspire, entertain, and uplift us all. Everything we do is possible because we have the privilege of representing their incredible talents. From the sounds and rhythms that kept us dancing throughout the year to the literature and artworks that stirred our emotions, our members are the true drivers of this organisation. Their creativity resonates not only within Botswana but also across the world, where our distinctive music and artistry are increasingly recognised and celebrated. We are especially proud that some of our members received prestigious international awards in 2024, affirming the global excellence of Botswana's creative talent.

The passion, creativity, and commitment of our members, together with the dedication of the COSBOTS Team, its Advisory Committee, and its Board, are what make this organisation extraordinary. I am proud to serve as part of

this leadership, and I remain determined to ensure that we continue to grow, innovate, and set new benchmarks in collective management.

As we look ahead, our purpose remains clear: to empower creativity, protect rights, and maximise value for our members. Together, we will continue to expand COSBOTS' impact, strengthen Botswana's creative economy, and ensure that our artists take their rightful place on both the local and international stage.



Letlhogonolo Makwinja
Chief Executive Officer



Our Board of Directors



**Mr. Ookeditse
James Moyambo**
Vice-Board Chairperson

**Ms. Bakalanga
Malikongwa**
Board Chairperson

**Ms. Winnie
Winani Sekani**
Treasurer

Our Board of Directors

**Mr. Benjamin
Mogotsi**
Director



**Mr. Alfred
Mosimanegape**
Director



**Mr. Kelebonye
Sibanyoni**
Director



**Ms. Staffnurse
Bangu Lesetedi-
Keothepile**
Director



**Mr. Martin
Ntongana**
Director



**Mr. Kabelo
Eric Kgaodi**
Director



Our Advisory Committee



**Mr. Patrick
Setsiba**



**Mr Bafana
Phemphetlhe
Bafana Pheto**



**Mr. Nkgopolang
Tlhomelang**



**Mr. Lizibo
Simon**



**Ms Tebogo
Ketlhoilwe**

Our Management



**Mr. Letlhogonolo
Makwinja**
Chief Executive Officer



Mr. Ditiro Chaa
Head of Operations



**Ms. Boitumelo
Monagen**
Licensing and Sales
Manager



Mr. Laone Mareka
Finance & Admin Manager



**Mr. Patrick
Matlapeng**
Documentation &
Distribution Manager

Corporate Governance

The Copyright COSBOTS of Botswana (COSBOTS) recognises that strong corporate governance is fundamental to achieving its mission, ensuring financial sustainability, and safeguarding the interests of its members and stakeholders. The Board of Directors is committed to the highest standards of integrity, accountability, and transparency in directing and controlling the COSBOTS' s affairs.

GOVERNANCE FRAMEWORK

COSBOTS operates within a governance framework that balances effective leadership with robust oversight. The framework is guided by the COSBOTS' s Constitution, the Copyright and Neighbouring Rights Act, the Board Charter, and relevant governance codes. This structure enables the Board to exercise independent judgment, provide strategic direction, and monitor performance, while delegating operational responsibilities to Executive Management.

BOARD RESPONSIBILITIES

The Board has overall responsibility for:

- Setting the strategic direction of the COSBOTS.
- Providing effective oversight of Executive Management.
- Ensuring that risks are appropriately identified, assessed, and managed.
- Safeguarding the assets of the COSBOTS and protecting member interests.
- Monitoring performance against financial and operational objectives.
- Promoting ethical conduct and compliance with applicable laws and regulations.

Through its oversight role, the Board ensures that COSBOTS maintains a sustainable and responsible approach to business, aligned with its mission of empowering creativity and protecting the rights of authors and artists.

COMPLIANCE WITH CODES AND BEST PRACTICES

The COSBOTS has adopted the principles of the King IV Code on Corporate Governance, which provides a comprehensive set of standards and practices aimed at enhancing Board effectiveness and accountability. These principles emphasise ethical leadership, sustainability, transparency, and stakeholder inclusivity. The adoption of King IV has significantly improved COSBOTS' governance culture, ensuring that decisions are made in a manner that balances the interests of members, partners, and the broader creative community.

DELEGATION OF AUTHORITY

While the Board retains ultimate accountability, authority for the day-to-day management of the COSBOTS is delegated to the Chief Executive Officer (CEO), who is supported by Executive Management. The CEO is responsible for implementing Board-approved strategies, policies, and budgets, and for ensuring that operations are conducted in accordance with sound governance principles.

Clear reporting lines and performance monitoring mechanisms are in place to ensure that delegated authority is exercised responsibly and remains subject to regular review by the Board.

ETHICAL LEADERSHIP AND ACCOUNTABILITY

The Board is committed to fostering a culture of ethical leadership. Directors are expected to act with integrity, avoid conflicts of interest, and place the interests of the COSBOTS and its members above personal gain. Regular declarations of interest are made, and mechanisms are in place to ensure accountability and transparency in decision-making.

STAKEHOLDER ENGAGEMENT

COSBOTS recognises that the confidence of its stakeholders is essential to its success. The Board prioritises regular engagement with members, government, regulators, and international partners, ensuring that the COSBOTS' s governance practices remain responsive to evolving needs and aligned with global standards.

BOARD COMPOSITION

Board Members of the Copyright COSBOTS of Botswana (COSBOTS) are appointed by the General Assembly and entrusted with the responsibility of setting the strategic direction of the COSBOTS' s affairs. The Board is composed of Nine (9) non-executive members, ensuring independent oversight and objective decision-making.

The roles of the Board Chairperson and the Chief Executive Officer (CEO) are clearly separated to safeguard the balance between governance and management. While the Board Chairperson provides leadership to the Board and ensures effective functioning, the CEO is responsible for day-to-day operations and execution of the Board's strategic directives. Importantly, COSBOTS Board Members are themselves established creatives, bringing industry knowledge, practical experience, and stakeholder perspectives that enrich governance and strengthen the COSBOTS' s alignment with the needs of rights holders.

BOARD COMMITTEES

In fulfilling its oversight mandate, the Board is supported by a number of specialised committees. Each committee operates under

a clearly defined charter, with specific roles and responsibilities delegated by the Board. The committees enhance the effectiveness of governance by providing focused attention on key areas, ensuring compliance with governance standards, and strengthening accountability across the organisation. All committees report to the Board, which retains ultimate responsibility for their decisions and recommendations.

EXECUTIVE COMMITTEE

The Executive Committee is mandated to act on behalf of the Board in between scheduled meetings. It provides strategic guidance on urgent matters requiring immediate attention and facilitates timely decision-making when the full Board is not in session. The Committee also ensures the smooth coordination of governance activities and supports the effective implementation of Board directives, while remaining fully accountable to the Board for all decisions and recommendations.

HUMAN RESOURCES & STAFF WELFARE COMMITTEE

The Human Resources & Staff Welfare Committee is responsible for overseeing the COSBOTS' s human capital strategy and policies. Its mandate includes performance management, staff welfare, remuneration frameworks, and succession planning. The Committee ensures that COSBOTS maintains a fair, transparent, and supportive working environment that promotes employee well-being, professional development, and organisational productivity.

NOMINATIONS & GOVERNANCE COMMITTEE

The Nominations & Governance Committee is tasked with ensuring that COSBOTS' governance structures remain robust and aligned with international best practices. Its responsibilities include overseeing Board composition, managing the nomination and appointment of directors, conducting performance evaluations, and promoting ongoing governance training. Through these activities, the Committee safeguards the integrity and effectiveness of leadership at all levels of the COSBOTS.

FINANCE, AUDIT & PROCUREMENT COMMITTEE

The Finance, Audit & Procurement Committee is responsible for overseeing the COSBOTS' s financial integrity, sustainability, and accountability. Its mandate covers financial planning, management, and reporting, including the review of budgets, monitoring of financial performance, and ensuring prudent allocation of resources in line with COSBOTS' strategic objectives.

MEMBERSHIP (MUSIC) COMMITTEE

The Membership (Music) Committee represents the interests of music rights holders within the COSBOTS. Its responsibilities include driving membership growth, deepening engagement with members, and overseeing the equitable distribution of royalties from musical works. The Committee works to ensure inclusivity, transparency, and accountability, thereby strengthening trust between COSBOTS and its members in the music sector.

MEMBERSHIP (REPROGRAPHY) COMMITTEE

The Membership (Reprography) Committee is mandated to protect and advance the interests of reprography rights holders. It oversees licensing frameworks, monitors collections, and ensures the fair distribution of royalties within the reprographic sector. By addressing the needs of authors, publishers, and related stakeholders, the Committee fosters confidence in COSBOTS' ability to manage reprography rights effectively and transparently.

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ADVISORY COMMITTEE

The Advisory Committee provides the Board and Executive Management with expert guidance and independent perspectives on strategic, operational, and industry-related matters. Its role is to strengthen decision-making by offering informed insights, fostering alignment with stakeholders, and promoting innovation within the creative ecosystem. By drawing on specialist knowledge and external expertise, the Committee enhances COSBOTS' ability to anticipate trends, respond to challenges, and pursue opportunities that support the long-term growth and sustainability of the COSBOTS.

The Committee safeguards the accuracy and reliability of financial statements, strengthens internal control systems, and ensures that risks are appropriately identified, assessed, and managed. It also oversees procurement activities, ensuring that contractual and supply chain processes are transparent, fair, and deliver value for money. In addition, the Committee recommends investment strategies and ensures full compliance with statutory, regulatory, and policy requirements, thereby protecting the long-term financial sustainability of the COSBOTS.

The table below shows the current composition of the Board and the membership of each board committee.

DIRECTORS RELATIONSHIP WITH THE COMPANY

	Right To Present	Concurrently Serves As Director				Concurrently serves as an employee
		Executive	Nominations & Governance	Membership (Music & Reprography)	Human Resources & Staff Welfare	
B. Malikongwa	✓	✓				✗
A. Mosimanegape	✓			✓	✓	✗
O. Moyambo	✓	✓	✓		✓	✗
K. Sibanyoni	✓			✓	✓	✗
K. Kgaodi	✓		✓		✓	✗
S. B. Lesetedi Keothepile	✓		✓	✓		✗
W. Sekani	✓	✓				✗
B. Mogotsi	✓		✓	✓		✗
M. Ntongana	✓					✗

BOARD AND COMMITTEE MEETINGS

The board and its committees meet at least four times annually as prescribed in the constitution and board and committee charters to discuss matters relating to, amongst other things; strategy and performance, financial position, risk management, human resource matters, sustainability and governance. Members contribute to strategy formulation as well as monitoring and measuring the organisation's performance and its executive management.

A summary of meetings and attendance of directors for the financial year 2023/24 is indicated below:

Board Attendance Record (2023–2024)

	Full Board	Executive	Human Resource	Nomination and Governance	Finance and Audit	Membership
B. Malikongwa	5	6	2	2	3	3
P. Setsiba	4	2	3	-	4	4
W. Sekani	5	6	4	-	4	-
A. Mosimanegape	5	4	-	-	-	4
M. Motlhasedi	5	4	-	-	4	4
T. Mphoeng	4	-	4	-	-	-
B. Mogotsi	5	-	-	4		4
M. Ntongana	4	4	-	4	4	-
O. Moyambo	5	5	-	4	4	-
K. Kgaodi	5	-	4	4	-	-
K. Sibanyoni	5	-	4	-	2	2
S. B. Lesetedi Keothepile	5	4	3	4	2	-

Note: Dash (–) indicates non-membership of that committee.

Statement On Risk Management And Internal Control

The Board of the Copyright Society of Botswana (COSBOTS) issues this statement on Risk Management and Internal Control as part of its commitment to championing sound governance and transparency. While not a statutory requirement, the Board has chosen to make this disclosure voluntarily, in line with its objective of leading by example in promoting strong governance, effective risk management, and robust internal control practices.

The Board affirms its responsibility for ensuring that COSBOTS maintains a comprehensive risk management framework and a system of internal controls that safeguard assets, protect member value, and support the achievement of strategic objectives. These structures are designed to identify, assess, and mitigate risks in a

proactive and sustainable manner, while ensuring compliance with applicable laws, policies, and international best practices.

By embedding risk management and internal controls into all levels of the organisation, the Board demonstrates its commitment to accountability, resilience, and long-term sustainability within Botswana's creative economy.

EFFECTIVENESS OF CONTROLS

Internal controls at COSBOTS are designed to safeguard assets, maintain the integrity of financial and operational reporting, and ensure compliance with applicable laws and policies.

These controls include:

- Financial controls to oversee budgets, resource allocation, and statutory compliance.
- Operational controls to ensure effective licensing, accurate royalty distribution, and reliable membership services.
- Compliance controls covering data privacy, anti-bribery and corruption, whistleblowing, and conflict of interest policies.

	ATTRIBUTE	RELATIONSHIP WITH THE COMPANY						
		a.	b.	c.	d.	e.	f.	g.
B. Malikongwa	Author/Actress	✓	✓		✓	✓		✓
W. Sekani	Author/Publisher	✓					✓	✓
A. Mosimanegape	Musician			✓			✓	✓
S. B. Lesetedi Keothepile	Copyright Expert							✓
O. Moyambo	Guitarist/Producer	✓		✓	✓	✓	✓	✓
B. Mogotsi	Author Literary Works	✓		✓		✓	✓	✓
K. Sibanyoni	Film/TV/Producer	✓	✓		✓		✓	✓
K. Kgaodi	Composer/Publisher	✓			✓	✓	✓	✓
M. Ntongana	Ex-Officio							

Sector	Symbol	Definition
Printing & Publishing		Representing authors of literary, artistic and musical works as well as publishers in text and image based industries
Visual Arts & Photography	 	Representing rights holders for visual material. Visual material takes many forms including the following: 1. Fine Art, such as painting and sculpting 2. Photography, such as documentary, and photographic art works 3. Illustrations, such as cartoons, diagrams, and maps 4. Craft and applied art, such as jewellery, ceramics, and textiles 5. Design, such as graphic design 6. Architecture 7. Prints, such as engraving and woodcuts producers as financial partners in the video and film making industries
Folklore		Representing artists in the field of traditional knowledge and cultural expressions.
Drama And Theatre		Representing writers and dramatists. Directors and choreographers, scenic designers, actors, and singers who are involved in the production of a dramatic work.
Audio Visual & Film		Representing authors and performers as creative such as collaborators, and producers and financing partners in the video and film making industries
Music & Recording		Representing rightsholders of musical works being song writers, performers, composers and music publishers as well as record companies
Others		Other creative sectors

The Board is satisfied that these controls were, in all material respects, effective throughout the year and provided reasonable assurance that risks were managed within acceptable levels.

ASSURANCE MECHANISMS

Assurance over the effectiveness of internal controls is obtained through a combination of management reviews, internal audits, and external audits. Independent auditors provide assurance on the accuracy and reliability of COSBOTS' financial statements and compliance with statutory requirements.

Reports from management and committees are regularly presented to the Board, highlighting risk exposures, control performance, and corrective actions. This layered approach ensures that both

oversight and assurance are comprehensive and continuous.

CONTINUOUS IMPROVEMENT

The Board recognises that risk management and internal control are dynamic processes that require ongoing improvement. Emerging risks, such as technological disruption, regulatory change, and shifts in the creative economy, are regularly reviewed, and mitigation strategies are updated accordingly.

Training and awareness programmes are provided to staff and management to reinforce a culture of accountability and risk awareness. The Board also periodically reviews governance and risk management frameworks to ensure that they remain aligned with international best

practice and the evolving needs of rights holders and stakeholders.

Long-Term Considerations And Esg Commitment

The Board of COSBOTS recognises that its decisions carry long-term implications not only for rights holders but also for the broader creative economy and COSBOTS at large. In line with global Environmental, Social, and Governance (ESG) principles, the Board ensures that all decisions are taken with a forward-looking perspective that balances financial sustainability, social responsibility, and ethical governance.

ENVIRONMENTAL

COSBOTS acknowledges the importance of environmental stewardship in the creative sector. Through responsible resource management, promotion of digital licensing solutions, and minimisation of paper-based processes, the COSBOTS actively contributes to reducing its environmental footprint while aligning with sustainable business practices.

SOCIAL

At the core of COSBOTS' mission is the protection and enhancement of the value of copyright and related rights entrusted to it. By ensuring fair, transparent, and accurate royalty distribution, COSBOTS sustains the livelihoods of rights holders and strengthens trust within the creative community. The Board also considers the broader social impact of its decisions, recognising that a thriving creative economy contributes significantly to cultural development, youth empowerment, and national identity.

GOVERNANCE

Strong governance underpins COSBOTS' ability to deliver on its mandate. The Board receives regular executive reports on licensing performance, royalty distributions, transformation projects, and

industry developments. Requests for funding and resource allocation are assessed against long-term objectives and stakeholder interests, ensuring that decisions are transparent, accountable, and aligned with the COSBOTS' s mission.

By embedding ESG considerations into its strategic decision-making, the Board not only safeguards the interests of current rights holders but also lays the foundation for a sustainable and resilient creative economy that can serve future generations.

Stakeholder Relationships And Responsible Business Practices

The Board of COSBOTS recognises that strong and effective relationships with stakeholders including rights holders, licensees, suppliers, government, and international partners are critical to the successful delivery of its strategic objectives. In its decision-making, the Board places significant emphasis on fostering these relationships to ensure the long-term sustainability of the COSBOTS and the wider creative economy.

Service Excellence is one of COSBOTS' core values, guiding the organisation to deliver the highest standard of service by adopting a customer-centric approach. This includes responding to the needs of licensees, members, and the broader collective management community. The Board supports ongoing initiatives to strengthen engagement, enhance transparency, and build trust, ensuring that COSBOTS remains a respected partner within the creative industries.

The Board plays a central role in shaping and overseeing licensing strategy and policy. Within its delegated authority, the Nominations & Governance Committee reviews and approves licensing schemes across broadcasting, online, and public performance usage, while referring significant matters to the Board for further approval. This ensures that licensing practices remain robust, fair, and in line with international best practice.

The Board also monitors COSBOTS' participation in strategic partnerships and collaborative initiatives, both locally and internationally, which strengthen the COSBOTS' s operational capacity and industry positioning. Regular reports and presentations from management and partners enable the Board to oversee the effectiveness of these collaborations in delivering value to rights holders.

In line with responsible business practices, COSBOTS is committed to ethical procurement and transparent supplier relationships. The Board, together with the Advisory Committee, reviews actions taken to uphold integrity in supply chains and ensure compliance with applicable laws. As part of its governance and social responsibility commitments, the COSBOTS continues to embed principles of fair trade, anti-corruption, and ethical conduct across its operations.

Commitment To High Standards Of Business Conduct

The Board of COSBOTS is firmly committed to maintaining the COSBOTS' s reputation for high standards of business conduct in all its operations and stakeholder engagements. Integrity is one of COSBOTS' core values and serves as the foundation upon which all compliance activities are anchored. Alongside integrity, the COSBOTS upholds the values of innovation, inclusivity, service excellence, and collaboration, ensuring that its work is conducted in a manner that is ethical, transparent, and accountable. To reinforce this commitment, COSBOTS has established separate Codes of Conduct that applies to members, licensees, staff, and partners. These Codes provides clear expectations for professional behaviour, ensuring that all engagements reflect the COSBOTS' s values and governance standards.

The Nominations & Governance Committee plays a key role in safeguarding ethical conduct by reviewing and approving internal controls,

compliance frameworks, and oversight measures that uphold the COSBOTS' s standards. Under legal privilege, the Board receives updates on material legal matters and provides guidance or decisions as necessary to ensure compliance and accountability. COSBOTS has also adopted a suite of compliance policies, including those relating to anti-bribery and corruption, whistleblowing, and data privacy. Relevant employees are required to complete mandatory compliance training and assessments, while directors and members participate in annual governance and orientation refreshers. These measures ensure continuous awareness, proactive risk management, and the consistent application of ethical practices across the organisation.

Through these commitments, COSBOTS seeks not only to protect its reputation but also to foster stakeholder trust, strengthen member confidence, and position the COSBOTS as a model of good governance and ethical leadership within Botswana's creative economy and the wider regional network of collective management organisations.

Fairness And Member Engagement

As a collective management organisation, COSBOTS exists to serve its members, who are at the very heart of the COSBOTS' s mandate and operations. The Board recognises its duty to act fairly, equitably, and transparently as between all members, ensuring that the rights of authors, composers, publishers, and other rights holders are respected and safeguarded.

Effective member engagement is central to this commitment. The Board, supported by the Advisory and Executive Management, provides strategic leadership in ensuring that member perspectives are integrated into decision-making. Feedback from member consultations and surveys is regularly reviewed, with the aim of continuously improving the membership experience.

COSBOTS maintains open lines of communication with its members through a variety of channels, including rights holder briefings, genre-specific meetings, outreach activities for emerging creatives, and targeted engagement with both music and reprographic rights holders. The COSBOTS also hosts member-focused events and actively participates in wider industry gatherings, ensuring that members are informed, represented, and supported at all stages of their creative journeys. By fostering inclusivity, transparency, and fairness in its dealings, COSBOTS strengthens member trust and reinforces its role as a reliable partner in the protection and promotion of copyright in Botswana and beyond.

Management's Responsibilities

The responsibility for implementing the COSBOTS' s risk management processes rests with the Chief Executive Officer (CEO) and the respective Heads of Business and Operations. Each functional head is tasked with periodically evaluating internal controls within their areas of responsibility to ensure their effectiveness, efficiency, and alignment with the organisation's objectives.

As part of the governance framework, the Nominations & Governance Committee provides oversight of internal control matters. It reviews reports from management, identifies significant issues, and highlights these to the Board for consideration and corrective action where necessary. This structured approach ensures that risk management is embedded throughout

the organisation, and that internal controls remain robust, responsive, and capable of safeguarding member value and organisational sustainability.

Diversity, Equity, And Inclusion (Dei)

COSBOTS is committed to building an inclusive organisation that reflects the diversity of the creative industries it serves. The COSBOTS recognises that diversity of perspectives, experiences, and backgrounds strengthens decision-making, drives innovation, and enhances its ability to deliver value to rights holders and stakeholders across Botswana and beyond.

GENDER EQUALITY

COSBOTS actively promotes gender equity across all levels of the organisation. Recruitment, training, and development policies are designed to ensure that women and men have equal access to opportunities, from entry-level positions to leadership roles. The COSBOTS supports the advancement of women in the creative sector and encourages balanced representation on committees, in management, and within governance structures.

YOUTH EMPOWERMENT

Recognising that young creators are the future of Botswana's cultural economy, COSBOTS prioritises the inclusion and empowerment of youth. Outreach programmes, mentorship initiatives, and targeted engagement activities

provide young rights holders with the tools, resources, and knowledge to participate effectively in the copyright ecosystem. This commitment ensures that the next generation of creatives can thrive and sustain the growth of the industry.

CULTURAL AND CREATIVE REPRESENTATION

Botswana's creative sector is characterised by its rich cultural heritage and diverse artistic traditions. COSBOTS values and respects this diversity, ensuring that its membership, licensing, and distribution processes are inclusive of various genres, languages, and cultural expressions. By embracing cultural diversity, COSBOTS reinforces its role as a unifying body that supports all creators, irrespective of background or artistic discipline.

PERSONS WITH DISABILITIES

COSBOTS is dedicated to ensuring equal opportunities for persons with disabilities. Employment policies are regularly reviewed to ensure fairness in recruitment, training, and career development. Where employees become disabled during the course of their careers, it is the COSBOTS's policy, wherever practicable, to provide continuing employment under normal terms and conditions, with reasonable accommodations and access to development opportunities. This reflects

COSBOTS' commitment to inclusivity and fairness as a responsible employer.

EMBEDDING DEI IN GOVERNANCE AND OPERATIONS

Diversity, equity, and inclusion are integrated into COSBOTS' governance and operational frameworks. The Board and Executive Management monitor DEI practices to ensure that they are embedded across recruitment, membership engagement, staff training, and stakeholder relations. Regular reviews are undertaken to strengthen COSBOTS' ability to operate as an inclusive, equitable, and socially responsible organisation.

By championing DEI, COSBOTS not only supports its members and employees but also contributes to the growth of a fair, vibrant, and sustainable creative economy for Botswana.



Principle	2024	Comment
The Board should provide effective leadership based on an ethical foundation.	✓	The Board is governed by a Board Charter which is the framework that has put in place best practices that allow for the best ethical leadership.
The Board should ensure that the company is and seen to be a responsible corporate citizen.	P	While the Board recognizes the concept of Corporate Social Responsibility, limitations of resources were a constraint in the period under review.
The Board should ensure that the company's ethics are managed effectively.	✓	The Organization's ethics are managed through the Executive Committee.
The Board should Act as the focal point for and custodian of corporate governance.	✓	The Organisation is headed by a Board that directs, governs, and is in effective control of the Organisation as embedded in the Board Charter. For effective control, the Board delegates some of its duties to its committees which are also governed by Committee charters. The Board meets at least four times a year.
The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	✓	The Board monitors the implementation of strategy through the Chief Executive who submits reports at quarterly meetings.
The Board should ensure that the Organization's ethics are managed.	✓	The Organization's ethics are managed through the Executive Committee.
The Board should ensure that the company has an effective and independent Audit Committee.	✓	The Finance, Audit & Procurement Committee has been established in terms of the Board Charter and the Committee is governed by a Committee Charter which is reviewed annually.
The Board should be responsible for the governance of risk.	✓	The Board governs risk through its Nominations & Governance Committee which reports directly to the Board at each meeting of the Board.
The Board should be responsible for Information and Technology (IT) governance.	✓	The Board has endorsed the IT Policies and Procedures, and an IT Strategy is in the process of being developed. Quarterly progress reports are submitted to the Board.
The Board should ensure that the company complies with applicable laws and considers adherence to non-binding codes and standards.	✓	The Organization complies with applicable laws and non-binding rules. The Organization also seeks professional legal advice from time to time as and when required.
The Board should ensure that there is an effective risk-based internal audit.	X	The organizations have no internal audit unit but plans to have one as the organization grows
The Board should appreciate that stakeholders' perception affect the company's reputation.	✓	The Board, through the CEO monitors legitimate stakeholder interests and expectations, relevant to the COSBOTS' s strategic objectives and long-term sustainability.
The Board should ensure the integrity of the company's integrated reporting.	✓	In alignment with the King IV Report on Corporate Governance, the Board has adopted integrated reporting as part of its commitment to enhanced governance, transparency, and accountability.
The Board should report on the effectiveness of the company's internal controls.	✓	The Board is accountable for risk management and the system of internal control and issues annual disclosures that an adequate system of internal control is in place to mitigate the risks faced by the organization.
The Board and its Executive Management should act in the best interest of the company.	✓	The Directors make decisions giving due regard to their duties and as such act with an independence of mind. The Directors also declare their direct and indirect interests at each Board meeting and the Board Secretary maintain a register of Director's interests.
The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is distressed.	P	The only has Disaster recovery at IT division and is yet to have a fully coordinated BCM.
The Board should elect a Chairman of the Board who is an independent non-executive director. The CEO should not also the role of Chairman of the Board.	✓	The Board Chairperson of the Board is appointed by vote amongst the Board members in accordance with the constitution and She is an independent non-executive. The role of the CEO and Board Chairperson are performed by separate individuals.

The Board should appoint the Chief Executive and establish a framework for the delegation of authority.		The CEO is appointed by the Board. The CEO is given certain decision-making power. Decisions over this threshold are considered by the Board. This ensures effective and timely decision-making.
The Board should comprise a balance of power, with the majority of non executive directors. The majority of non-executive directors should be independent.		The Board of Directors is wholly non-executive and independent.
Directors should be appointed through a formal process.		The Directors are appointed in accordance with the company constitution and the Companies Act
The induction of and ongoing training and development of Directors should be conducted through a formal process.		Induction and training of Directors is done through a formal process on an ongoing basis.
The Board should be assisted by a competent, suitably and experienced Board Secretary.		The Board Secretary is appointed by the Board in accordance with the Board Charter. The Board Secretary is a chartered secretary and has the requisite experience for the job as required by Section 162 of the Companies Act.
The evaluation of the Board its committee and the individual Directors should be performed every year.		The Board gets evaluated bi-annually
The Board should delegate certain functions to well-structured Committees but without abducting its own responsibilities.		The Board has well-developed Committees which have been established with clear reporting procedures. The Committee Charters are reviewed annually

BOARD GOVERNANCE COMPLIANCE		
Principle	2024	Comment
A governance framework should be agreed between the group and its subsidiary boards.	X	This principle is not applicable.
Organisations should remunerate directors and executives fairly and responsibly		Director's remuneration is paid in accordance with the recommendations made by the General Assembly. The Executives' remuneration is determined by the Board.
Companies should disclose the remuneration of each individual director and prescribed officer		This has been disclosed under the remuneration section in the Financial Statements.
Shareholders should approve the company's remuneration policy.		The remuneration Policy is approved by the Board of Directors in accordance with the Board Charter.

GOVERNANCE OF RISK

Principle	2024	Comment
The Board should be responsible for the Governance of risk.	✓	The Nominations & Governance Committee acts in accordance with its delegated authority of the Board in terms of governance of risk. The Committee is an integral component of the risk management process and oversees the development of policies.
The Board should determine the levels of risk tolerance.	✓	The Board determines the level of risk tolerance quarterly.
The Risk Committee or Audit Committee should assist the Board in carrying out its risk responsibilities	✓	The Board is assisted by an independent and effective Nominations & Governance Committee in carrying out its risk responsibilities. The Board Chairperson of the Committee reports to the Board at all its meetings
The Board should delegate to Management the responsibility to design, implement and monitor the risk management plan.	✓	The design and implementation of the risk management plan is the responsibility of Management. The Nominations & Governance Committee provides the necessary oversight.
The Board should ensure that the risk assessments are performed on a continual basis.	✓	Regular risk assessments are undertaken where both the strategic and operational risk registers are on quarterly basis reviewed and revised.
The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risk.	X	A formal ERM framework which relies on ISO31000 and COSO framework have not been developed and presented to the Board
The Board should ensure that Management considers and implements appropriate risk responses.	✓	Quarterly progress made in the implementation of the mitigation measures is presented to the Board.
The Board should ensure continual risk monitoring by Management.	✓	Quarterly risk reports with significant risks are presented to the Board.
The Board should receive assurance regarding the effectiveness of the risk management process.	✓	Proper risk management process is implemented in the annual report.
The Board should ensure that there are processes in place enabling complete, timely, relevant and accurate and accessible risk disclosure to stakeholders	✓	Proper risk disclosures have been implemented in the annual report.
The Board should ensure that the Organisation complies with applicable laws and considers adherence to non-binding codes and standards.	✓	The organisation complies with applicable laws and non-binding rules. The Board certifies that such rules are adhered to.
The Board and each individual Director should have a working understanding of the effect of applicable laws, rules, codes and standards on the Organisation and its business.	✓	Any changes in laws and rules which affect the Organisation are included in the Board's agenda as and when applicable.
Compliance risk should form an integral part of the Organisation's risk management process	✓	The risk of non-compliance is monitored, assessed and responded to through the organisation's risk management Process.
The Board should delegate to management the implementation of an effective compliance framework	✓	A formal Compliance framework is developed.

Governing of Stakeholder Relationships.	✓	The Board has entered into MoUs to govern stakeholder relations.
The Board should appreciate that stakeholders' perceptions affect the company's reputation.	✓	The Board monitors legitimate stakeholder interests and expectations, relevant to the organisation's strategic objectives and long - term sustainability..
The Board should delegate to Management to proactively deal with stakeholder relationships.	✓	Stakeholder relationship management is the primary responsibility of the CEO.
The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interest of the Organisation.	✓	The Board strives to achieve an appropriate balance between the interests of various stakeholders in its decision making.
Companies should ensure the equitable treatment of shareholders.	✓	COSBOTS has a cordial relationship with the Government of Botswana through the Ministry of Investment, Trade & Industry.
Transparent and effective communication with stakeholders are essential for building and maintaining their trust and confidence	✓	The organisation produces an Annual Report within reasonable timelines. The organisation ensures that information to stakeholders is sent timeously and that it is clear and comprehensive.

Board Committees

To enhance efficiency and effectiveness in discharging its duties, the Board has established the following committees:

Executive

The executive committee facilitates decision making in Board meetings and in urgent matters.

Finance, Audit & Risk Committee

This committee provides oversight over financial reporting, risk management and audit processes. It ensures the integrity of financial statements and compliance with applicable laws and regulations.

Human Resources & Staff Welfare

This committee oversees human capital matters, including recruitment, remuneration, performance management and staff development. It ensures that COSBOTS attracts and retains competent personnel.

Nominations & Governance

This committee advises on legal matters, corporate governance practices and regulatory compliance. It ensures that COSBOTS adheres to the highest standards of governance.

Each committee operates under terms of reference approved by the Board and reports to the Board regularly on its activities and findings.

Membership

Key responsibilities of the membership committee include overseeing the integrity of the company's membership services and the company membership and distribution rules, media/PR and communications strategy, code of conduct policy, member issues and the advocacy role of the organizers.

Advisory Committee

The advisory committee bridges the gap between members and the board. Furthermore, it advises the board.



Statement On Risk Management

COSBOTS has adopted a risk management framework that identifies, assesses and mitigates risks that could impede the achievement of its strategic objectives. The Board, through its committees, ensures that management has in place appropriate risk management and internal control systems.

Responsibilities Of The Board

The Board is entrusted with several key responsibilities that are vital to the effective governance and long-term success of the organisation. It is responsible for setting the strategic direction of the company, ensuring that all activities align with the overarching mission and vision. The Board upholds and promotes ethical leadership and sound governance practices, fostering a

Internal Controls

The Organisation maintains a robust internal control environment to ensure the accuracy and reliability of financial and operational information, safeguard assets and ensure compliance with laws and regulations. The internal audit function provides independent assurance on the effectiveness of these controls.

culture of integrity and accountability. It oversees organisational performance and sustainability, ensuring that operations are both effective and responsible in the long term. In addition, the Board appoints the Chief Executive Officer and regularly evaluates their performance to ensure strong and effective leadership. It also plays a critical role in monitoring compliance with applicable laws and regulations, as well as managing enterprise risk. Furthermore, the Board is responsible for approving key organisational policies and the annual budget, thereby ensuring prudent financial stewardship and strategic alignment across all functions.

Management Responsibilities

Management is responsible for the effective implementation of strategies approved by the Board, ensuring that organisational objectives are translated into actionable plans and executed efficiently. This includes the day-to-day oversight of operations to maintain smooth, consistent, and effective service delivery across all departments. Management is also charged with maintaining robust risk management and internal control systems to safeguard the organisation's assets and ensure compliance with relevant regulations and standards. Furthermore, it is accountable for producing accurate and timely financial reports, thereby supporting transparency, informed decision-making, and sound financial governance.

Principle	2024	Comment
A governance framework should be agreed between the group and its subsidiary boards		The board governed by a Board Charter which is the framework that has put in place best practices that allow for the best ethical leadership.
The Board should ensure that the company's ethics are managed properly		The organisation's ethics are managed through the executive committee
The Board should ensure that the company is and seen to be a responsible corporate citizen		While the Board recognizes the concept of Corporate Social Responsibility, limitations of resources were a constraint in the period under review.
The board should act as the focal point for and custodian of corporate governance		The organisation is headed by a Board that directs, governs and is in effective control of the organisation as embedded in the Board Charter. For effective control, the Board delegates some of its duties to its committees which are also governed by Committee charters. The Board meets at least four times a year.
The Board should appreciate that strategy, risk, performance and sustainability are inseparable.		The Board monitors the implementation of strategy through the Chief Executive Officer who submits reports at quarterly meetings.
The Board must ensure that the company has an effective and independent Audit committee.		The Finance, Audit and Procurement Committee has been established in terms of the Board Charter, and the committee is governed by a committee which is reviewed annually.
The Board Should be responsible for the governance of risk	P	The Board governs risk through is Nominations and Governance Committee which reports directly to the Board at each meeting of the Board.
The Board should be responsible for Information and Technology (IT) governance.		The Board has endorsed the IT Policies and Procedures and an IT Strategy in the process is in the process of being developed. Quarterly progress reports are submitted to the Board.
The Board should ensure that the company complies with applicable laws and considers adherence to non-binding codes and standards,		The organisation complies with applicable laws and non-binding rules. The organisation also seeks professional legal advice from time to time as and when required.
The Board should ensure that there is an effective risk-based internal audit.	X	The organisations have no internal audit unit but plans to have one as the organisation grows.
The Board should appreciate that stakeholders' perception affects the company's reputation.		The Board, through the CEO monitors legitimate stakeholder interests and expectations, relevant to the COSBOTS strategic, objectives and long-term sustainability.
The Board should ensure the integrity of the company's integrated reporting.		The Annual Report is an integrated Report.
The Board should report on the effectiveness of the company's internal controls.		The Board is accountable for the risk management and the system of internal control and issues annual disclosures that an adequate system on internal control is in place to mitigate the organisation.
The Board and its Executive Management should act in the best interest of the company.		The Directors make decisions giving due regard to their independence of mind the directors also declare their direct and indirect interests at each Board meeting and the Board Secretary maintains a register of Director's interests.

The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is distressed.	P The company has disaster recovery at IT division and is yet to have fully coordinated BCM.
The Board should elect a chairman at the board who is independent who is independent, non-executive director. The CEO should not also hold the role of chairman of the Board.	 The Board Chairperson of the Board is appointed by vote amongst the Board members in accordance with the constitution and she is an independent non-executive. The role of the CEO and the Board Chairperson are performed by two separate individuals.
The Board should appoint the CEO and establish framework to the delegation of authority.	 The CEO is appointed by the Board. The CEO certain decision-making power. Decisions over the threshold are considered by the Board. This ensures effective and timely decision-making.
The Board should comprise a balance of power with the majority of non-executive directors. The majority of non-executive directors should be independent.	 The Board of Directors is wholly non-executive and independent.
Directors should be appointed through a formal process.	 The Directors are appointed in accordance with the company constitution and the Companies Act.
The induction of and on-going training and development of Directors should be conducted through a formal process.	 Induction and training of Directors is done through a formal process on an-going and the Companies Act.
The Board should be assisted by a competent, suitably and experienced Board Secretary.	 The Board Secretary is appointed by the Board in accordance with the Board Charter. The Board secretary is a chartered secretary and has the requisite experience for the job as required by Section 162 of the Companies Act.
The evaluation of the Board, its committees and the individual Directors should be performed every year.	 The evaluation of the Board is done biannually.
The Board should delegate certain functions to well structured committees but without abducting its own responsibilities.	 The Board has well developed Committees which have been established with clear reporting procedures. The Committee Charter are reviewed annually.
A governance framework should be agreed between the group and its subsidiary boards.	x This principle is not applicable
Organisations should remunerate directors and executive fairly and responsibly.	 Directors' remuneration is paid in accordance with the recommendations made by the general assembly. The executive's remuneration is determined by the Board.
Companies should disclose the remuneration of each individual director and prescribed officer.	 This has been discussed under the remuneration section in the financial Statements.
Shareholders should approve the company's remuneration policy/	 The remuneration policy is reviewed by the Board of Directors in accordance with the Board Charter.

Governance Of Risk

Principle	2024	Comment
The Board should be responsible for the governance of risk		The Nominations and Governance Committee acts in accordance with its delegated authority of the Board in terms of governance of risk. The Committee is an integral component of the risk management process and over sees the development of policies
The Board should determine the levels of risk tolerance	P	The Board shall determine the level of risk tolerance according to the enterprise Risk Framework after the finalisation and approval of the framework.
The risk committee or audit committee should assist the Board in carrying out its responsibilities		The Board is assisted by an independent and effective Nominations & Governance Committee in carrying out its responsibilities. The Board Chairperson of the Committee reports to the Board.
The Board should delegate Management the responsibility to design, implement, and monitor the risk management plan.		The design and implementation of the risk management plan is the responsibility of management. The Nominations and Governance Committee provides the necessary oversight.
The Board should ensure that the risk assessments are performed on a continual basis.		Regular risk assessment are undertaken where both the strategic and operational risk registers are on quarterly basis, reviewed and revised.
The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risk.	X	A formal ERM framework which relies on ISO31000 and COSO framework have been developed and presented to the Board.
The Board should ensure that Management considers and implements appropriate risk responses.		Quarterly progress made in the implementation of the mitigation measures is presented to the Board.
The Board should ensure continual risk monitoring by Management.		Quarterly risk reports with significant risks are presented to the Board.
The Board should receive assurance regarding the effectiveness of the risk management process		Risk management process has been implemented in 2023/2024.
The Board should ensure that the Organisation complies with applicable laws and considers adherence to non-binding codes and standards		The organisation complies with applicable laws and non-binding rules. The Board should certify that such rules are adhered.
The Board should ensure that there are processes in place enabling complete, timely, relevant and accurate and accessible risk to disclosure to stakeholders.		Proper risk disclosures are implemented.
The Board and each individual Director should have a working understanding of the effect of applicable laws, rules, codes and standards on the Organisation and its business.		Any changes in laws and rules which affect the organisation are included in Boards agenda and when applicable.
Compliance risk should form an integral part of the organisation risk management process		The risk of non-compliance is monitored, assessed and responded to through the organisation's risk management process.
The Board should delegate to management the implementation on an effective compliance framework.		A formal compliance framework is in place. We annually report to CIPA,CISAC, IFFRO, IFPI.

Governing Of Stakeholder Relationships

The Board should appreciate that stakeholders' perceptions affect the company's reputation	 The Board monitors legitimate stakeholder interests and expectations, relevant to the organisation's strategic objectives and long-term sustainability.
The Board should delegate to Management to proactively deal with stakeholder relationships	 Stakeholder relationship management is the primary responsibility of the CEO
The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interest of the organisation.	 The Board strives to achieve an appropriate balance between the interests of various stakeholders in its decision making.
Companies should ensure the equitable treatment of shareholders	 COSBOTS has a cordial relationship with the Government of Botswana through the Ministry of Trade.
Transparent and effective communication with stakeholders is essential for building and maintaining trust and confidence	 The organisation produces an Annual Report within reasonable timelines. The organisation ensures that information to stakeholders is sent timeously and that it is clear and comprehensive.



IN LOVING MEMORY OF
Sechome Bontsibokae
SCHOOZA

Certificate Of Secretary

In my capacity as Company Secretary, I hereby certify, in terms of the Compliance Act, that for the year ended June 30,2024. The Company has lodged with the Registrar of Companies all such returns are required of a company in terms of the Companies Act and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Motlagae Mosidi
Company Secretary
30th June 2024

Finance Report

**Copyright Society of Botswana – Integrated
Annual General Meeting
For the Financial Year Ended 30 June 2024**

INTRODUCTION

The Board of Directors and Management of the Copyright Society of Botswana (COSBOTS) are pleased to present the Finance Report for the financial year ended 30 June 2024. This report forms an integral component of our Integrated Annual Report and provides stakeholders with a clear and comprehensive account of our financial performance and position.

The report reflects on the Organisation's financial achievements, challenges, and resilience during the year under review, while also outlining key trends and the outlook for the future. In line with our commitment to transparency and accountability, the report highlights how COSBOTS continues to responsibly manage resources, sustain growth, and create long-term value for our members and stakeholders.

IFRS AND ISA COMPLIANCE

The Copyright Society of Botswana is pleased to confirm that the annual financial statements for the year ended 30 June 2024 have been prepared in full compliance with the International Financial Reporting Standards (IFRS) and have been audited in accordance with the International Standards on Auditing (ISA).

This rigorous adherence to international frameworks ensures that our reporting reflects the highest standards of accuracy, transparency, and accountability. By aligning with globally recognised benchmarks, we reinforce the credibility and integrity of our financial statements and provide stakeholders with the assurance that COSBOTS' financial management is conducted with diligence and integrity.

FINANCIAL PERFORMANCE OVERVIEW

For the year ended 30 June 2024, COSBOTS delivered a strong financial performance, with total revenue of P20.18 million, reflecting a 8% growth over the prior year's P18.54 million. Music collections contributed P14.95 million, while reprography collections accounted for P5.27 million. This growth trajectory demonstrates the effectiveness of our revised licensing strategy and underscores the Organisation's resilience in driving sustainable income streams for rights holders.

DECENTRALISATION OF LICENSING ACTIVITIES

The launch of a regional office in Francistown marked a significant milestone in our efforts to decentralise licensing operations. By extending our presence into the North-East District and surrounding regions, COSBOTS was able to penetrate previously under-licensed markets. Revenue growth was particularly evident from bars, lodges, and hospitality establishments that had historically been difficult to service due to geographic constraints. This decentralised model has enhanced market access and strengthened compliance in key growth corridors.

ENHANCED LEGAL ENFORCEMENT

COSBOTS also advanced its mandate through decisive legal enforcement measures. Several targeted litigation cases against non-compliant clients were successfully concluded in the Organisation's favour during the reporting period. Beyond securing overdue revenue, these outcomes reinforced COSBOTS' reputation as a firm and credible regulator. Importantly, the rulings created a deterrent effect, fostering broader voluntary compliance across the licensed community.

STAKEHOLDER EDUCATION ON REPROGRAPHY TARIFFS

As reprography tariffs remain a relatively new area of rights management in Botswana, COSBOTS prioritised stakeholder education and awareness. A key initiative was the Tertiary Institutions Capacity Building Workshop, which provided academic institutions with clarity on tariff obligations, potential infringements, and compliance pathways. This proactive engagement resulted in a 90% compliance rate among tertiary institutions, with several leading players in the sector successfully regularising their licensing status.

The Organisation's financial performance in 2024 reflects a deliberate and balanced approach combining decentralisation, legal enforcement, and stakeholder engagement. These initiatives have not only delivered measurable growth during

the year but also created a sustainable foundation for future collections. Looking ahead, COSBOTS remains committed to scaling these strategies to unlock further value for its members and to deepen compliance across all sectors of the economy.

ROYALTY DISTRIBUTIONS (D17 DECLARATION)

For the year ended 30 June 2024, the D17 royalty declaration amounted to P14,540,081, representing a 29% increase from the D16 declaration of P11,270,071 in the prior year. This year's declaration translates into a 72% revenue-to-distribution ratio, a significant milestone that demonstrates COSBOTS' strong commitment to delivering fair and equitable royalty compensation to its members.

BREAKDOWN OF THE D17 ROYALTY DECLARATION

Segment	Amount (BWP)
Music – Public Broadcaster	6,466,137
Music – Public Performance	4,549,892
Music – Private Broadcaster	478,883
Music – Mechanical Rights	625,172
Reprography Rights	2,420,000

STRENGTHENING THE DISTRIBUTION POOL

In accordance with Distribution Rule 17, the Organisation wrote back P3,563,600 of unmatched royalties (up to D14) into the distribution pool due to the absence of identified claimants. This adjustment directly enhanced the D17 declaration, ensuring that unallocated resources were redirected to benefit the broader membership.

INVESTMENTS IN DISTRIBUTION INFRASTRUCTURE

COSBOTS continues to leverage investments in modern distribution infrastructure to ensure fairness, transparency, and accuracy. The implementation of WIPO Connect has strengthened our capacity to perform accurate royalty

calculations, while I-Monitor, an online monitoring system, has improved the tracking and reporting of rights usage. These systems collectively enhance data integrity and support equitable allocations to rights holders. The substantial growth in royalty payouts reflects the effectiveness of COSBOTS' strengthened licensing, enforcement, and data management processes. Looking forward, the Organisation remains committed to:

- Enhancing rights data management to improve accuracy and traceability.
- Strengthening stakeholder engagement to deepen understanding and compliance.
- Ensuring the timeliness, fairness, and sustainability of royalty distributions.

The D17 declaration stands as a testament to COSBOTS' unwavering mandate to maximize

value for rights holders and uphold the principle of equitable compensation for creative works.

OPERATING EXPENSES

For the fiscal year ended 30 June 2024, total operating expenses amounted to **P13,077,284**, reflecting a modest 3% increase from the prior year's **P12,676,284**. This restrained growth underscores COSBOTS' commitment to prudent financial management and operational efficiency.

STRATEGIC INVESTMENTS

The increase in expenditure was primarily attributable to targeted investments in strategic areas critical to revenue growth and compliance. These included:

- Legal enforcement initiatives to secure compliance from non-licensed users.
- Countrywide travel and motor expenses to support licensing outreach and enforcement.
- Stakeholder engagement programmes designed to strengthen awareness and adoption of music and reprography rights.

These investments directly supported the revenue growth achieved during the year and contributed to the improved royalty distributions to members.

Cost Management and Efficiency Measures

At the same time, the Organisation maintained rigorous cost-control measures in non-critical areas. Efforts included:

- Stricter budget monitoring and reporting.
- Enhanced procurement practices.
- More efficient utilisation of existing resources.

These initiatives ensured that general administration and office overheads remained contained, thereby preserving financial discipline.

BALANCED APPROACH

Overall, the controlled increase in operating expenses reflects a balanced approach prioritising strategic investments in growth drivers while limiting discretionary expenditure. This disciplined framework has enabled COSBOTS to ensure that a greater share of revenue continues to be directed toward royalty distributions to members, in line with its mandate to maximise value for rights holders.

COMPREHENSIVE LOSS

For the fiscal year ended 30 June 2024, COSBOTS reported a total comprehensive loss of P3,507,238, representing a 24% improvement compared to the prior year's loss of P4,628,631. This positive trend reflects the combined effects of stronger revenue growth and the Organisation's ongoing cost-control measures, which continue to reduce the deficit on a year-on-year basis.

Although the organisation remains in a loss-making position, the consistent narrowing of the deficit signals encouraging progress toward long-term financial sustainability. With continued momentum in licensing revenue growth, reinforced by prudent expense management and enhanced operational efficiency, COSBOTS is steadily laying the foundation to transition toward profitability in the medium term.

Financial Position

PROPERTY AND FINANCE LEASE OBLIGATIONS

As at 30 June 2024, COSBOTS owned a building acquired through a finance lease arrangement with Bank Gaborone, carrying an interest rate of prime plus 3%. The property had a carrying amount of P3,787,297, while the outstanding loan balance at year-end was P1,454,987.

The steady reduction in the loan liability, in line with the financing terms, reflects the Organisation's consistent repayments and contributes to the strengthening of COSBOTS' equity position in this strategic asset. Beyond serving as the operational headquarters, the building represents a long-term investment that enhances stability and underpins organisational sustainability. Over time, the continued repayment of the finance lease will further expand COSBOTS' asset base, improve financial resilience, and support the Organisation's long-term growth objectives.

TRADE AND OTHER RECEIVABLES

As at 30 June 2024, COSBOTS' trade receivables amounted to P1,358,490, compared to P897,577 in the prior year. The increase of P460,913 (51%) was largely driven by timing differences in royalty collections and invoicing cycles at year-end.

Management continues to apply stringent monitoring and credit control measures to ensure the timely collection of receivables and to mitigate the risk of default. Enhanced oversight, combined with ongoing stakeholder engagement, is expected to further strengthen receivable turnover and cash flow performance in the year ahead.

In addition, COSBOTS recorded a prepayment of P2,500,000 to Jeremia Associates during the financial year. This prepayment relates to the planned acquisition of a plot earmarked for the development of the Creative Hub, a cornerstone project in the Organisation's long-term strategic agenda. The Creative Hub is envisioned as a dedicated space for innovation, collaboration, and capacity building within Botswana's creative sector. It will not only provide rights holders with access to essential resources but will also strengthen COSBOTS' asset base by diversifying and expanding its infrastructure portfolio. Management will continue to monitor the transaction closely to ensure that the prepayment is appropriately converted into a tangible asset in the forthcoming financial year.

LIQUIDITY AND CASH MANAGEMENT

As at 30 June 2024, COSBOTS maintained a strong liquidity position, underpinned by a balanced mix of interest-bearing investments and readily accessible cash reserves.

The Organisation had invested P10,576,531 with Bank Gaborone at an interest rate of 6.5%, and P5,000,000 with Stanbic Bank at an interest rate of 3.75%. These balances include both the principal amounts invested and accrued interest to date.

In addition, COSBOTS held P18,835,682 in current accounts and P987,748 in call accounts across local commercial banks, including FNB, ABSA, and Stanbic Bank. These deposits ensured sufficient liquidity to meet all operational and distributional obligations, while also generating additional interest income.

This prudent management of cash and investments reflects COSBOTS' commitment to safeguarding members' funds, optimising returns, and sustaining operational stability. By maintaining this balance between liquidity and income generation, the Organisation continues to reinforce its financial resilience and long-term sustainability.

TRADE AND OTHER PAYABLES

As at 30 June 2024, COSBOTS' total trade and other payables stood at P4,079,244, comprising the following:

- VAT liability of P1,787,101, due for settlement in July 2024.
- Payroll accruals of P1,310,217, representing employee-related obligations carried forward into the next financial period.

The timely settlement of these obligations remains a key priority for the Organisation. COSBOTS continues to maintain sufficient liquidity to ensure full compliance with statutory requirements and the prompt fulfillment of employee-related commitments.

The effective management of payables forms part of the Organisation's broader commitment to sound financial discipline, operational efficiency, and stakeholder confidence. By balancing obligations with available resources, COSBOTS ensures that its financial operations remain stable, transparent, and aligned with long-term sustainability objectives.

DEFERRED INCOME

During the financial year, COSBOTS recorded a 164% increase in deferred income, rising to P12,091,630 compared to the previous year. This balance represents funds received in advance for license coverage to be delivered in subsequent reporting periods. In accordance with IFRS 15 – Revenue from Contracts with Customers, revenue from annual licenses is recognised progressively over the duration of the licensed period.

The significant increase in deferred income highlights COSBOTS' strengthened capacity to secure cash flows upfront, thereby enhancing liquidity and improving financial stability. It also reflects the Organisation's firm commitment to international accounting standards and best practice revenue recognition, reinforcing transparency, accountability, and credibility in financial reporting.

Looking ahead, COSBOTS is evaluating a refined approach to revenue recognition, particularly in relation to the Department of Broadcasting, which currently contributes approximately 60% of total revenue. Aligning the recognition of funds collected with the corresponding licensing and distribution cycle will ensure that income received within a given year is also recognised and distributed in that same year. This initiative is expected to reduce deferred income liabilities on the balance sheet while further enhancing fairness, timeliness, and efficiency in royalty distributions to rights holders.

PROVISIONS

As at 30 June 2024, COSBOTS reported total provisions of P28,361,375, reflecting a 24% increase compared to the prior year. These provisions primarily relate to royalties earmarked for distribution, in line with the Organisation's mandate to ensure fair and equitable compensation

for rights holders.

BREAKDOWN OF PROVISIONS

Category	Amount (BWP)
D17 Royalties (payout commenced Dec 2024)	14,540,081
Unpaid Other Rights Royalties	1,879,717

Category	Amount (BWP)
Local Unmatched Works	1,900,284
International Unmatched Works	1,180,145
Social and Cultural Fund	742,065
Unpaid International Royalties	6,349,639
Reprography Royalties	1,824,821

STRATEGIC SIGNIFICANCE

The increase in provisions reflects the strong growth in revenue collections during the year, which correspondingly increases the amounts due for distribution to members and international partners.

COSBOTS continues to enhance its distribution infrastructure and data management systems, including the use of WIPO Connect and I-Monitor, to ensure that provisions are accurately calculated and released in a timely, transparent, and equitable manner.

COMMITMENT TO MEMBERS

These provisions underscore COSBOTS' commitment to accountability, fairness, and the safeguarding of members' interests. They also highlight the scale of obligations that must be carefully managed alongside operational requirements to ensure both sustainability and value creation for stakeholders.

CONCLUSION

Overall, COSBOTS has maintained a sound financial position and is well-placed to pursue its strategic initiatives and long-term objectives. The

year under review was marked by improved royalty collections, a reduction in losses, and disciplined cost management, all of which reflect the Organisation's focus on operational efficiency and sustainability.

The organisation's investment in interest-bearing accounts, coupled with readily accessible current and call account balances, has further strengthened liquidity and safeguarded members' funds. At the same time, trade receivables have been managed in accordance with IFRS 9, reinforcing transparency and compliance with international reporting standards. Provisions set aside for unpaid royalties and for the Social and Cultural Fund underscore COSBOTS' commitment to fairness, accountability, and the welfare of its members.

Taken together, these measures highlight the Organisation's progressive trajectory and positive financial outlook. With continued focus on strengthening collections, prudent financial management, and strategic investments, COSBOTS is steadily positioning itself for long-term growth, resilience, and enhanced value creation for its members and stakeholders.

OUTLOOK

Building on the strong performance of 2023/24, COSBOTS enters the new financial year with a solid foundation of revenue growth, improved royalty distributions, and disciplined cost management. The Organisation remains well-positioned to sustain this momentum through a range of strategic initiatives.

STRATEGIC PRIORITIES

Regional Licensing Expansion: Continued decentralisation of licensing activities will deepen engagement across under-served regions, further driving compliance and collections.

Enhanced Legal Enforcement: Focused enforcement actions will reinforce compliance and create a culture of accountability among licensees.

Stakeholder Education: Targeted awareness campaigns will expand understanding of music and reprography rights, strengthening voluntary

compliance.

INVESTMENTS IN TECHNOLOGY AND INFRASTRUCTURE

Investments in WIPO Connect and I-Monitor will continue to enhance transparency, accuracy, and efficiency in royalty administration. In parallel, the Creative Hub project represents a landmark investment that will build capacity, foster innovation, and provide a dedicated space for collaboration within Botswana's creative industry.

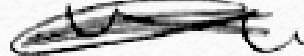
FINANCIAL SUSTAINABILITY

Prudent financial management and robust liquidity remain central to COSBOTS' strategy. By aligning revenue collection, expense control, and investment in growth enablers, the Organisation will continue to ensure sustainable operations and equitable value creation for its members.

COMMITMENT TO MEMBERS AND STAKEHOLDERS

COSBOTS remains firmly committed to innovation, operational efficiency, and responsible stewardship. These principles will continue to guide the organisation in building trust with members, licensees, and stakeholders, while advancing its long-term mandate of fair compensation, industry development, and financial sustainability.

Ms. Winnie Sekani



**Treasurer of the
COSBOTS Board of
Directors**



Audited Financial Statements



Copyright Society of Botswana
(Registration number BW00000230497)
Financial statements
for the year ended 30 June 2024



Copyright Society of Botswana
(Registration number BW00000230497)
Financial statements
for the year ended 30 June 2024

General Information

Country of incorporation and domicile

Botswana

Nature of business and principal activities

The Copyright Society of Botswana was established and has been mandated by the Copyright and Neighbouring Rights Act - CAP 68:02 to, among others, license and collect royalties from users of copyright protected works, and to distribute them to copyright owners.

Directors

Bakalanga Malikongwa
Ookeditse Moyambo
Winnie Winani Sekani
Alfred Morwaledi Mosimanegape
Moletlanye Mphoeng
Mpho Motlhasedi
Benjamin Mogotsi
Kabelo Eric Kgaodi
Patrick Setsiba
Kelebonye Sibanyoni
Martin Ntongana
Staffnurse Bangu Lesetedi-
Keothepile
Letlhogonolo Makwinja

Registered office

Unit 1, Plot 93
International Commerce Park
Gaborone, Botswana

Postal address

Private Bag B075 Gaborone

Bankers

ABSA Bank Botswana Limited
First National Bank Botswana Limited
Bank Gaborone Limited
Stanbic Bank Botswana Limited

Auditors

Maemo S D Mesotlo & Associates
Registered Auditors
Member firm No: FAN 008 2025
Plot 54373
Matante Mews
1st Floor CBD
Gaborone, Botswana
P O Box 604 AAH, CBD

Secretary

Baker Tilly Botswana

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(Registration number BW00000230497)
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Contents

The reports and statements set out below comprise the financial statements presented to the shareholder:

	Page
Directors' Responsibilities and Approval	
Directors' Report	
Independent Auditor's Report	
Statement of Financial Position	
Statement of Profit or Loss and Other Comprehensive Income	
Statement of Changes in Equity	
Statement of Cash Flows	
Significant Accounting Policies	
Notes to the Financial Statements	

The following supplementary information does not form part of the financial statements and is unaudited:

Detailed Income Statement

Copyright Society of Botswana
(Registration number BW00000230497)
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Directors' Responsibilities and Approval

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the

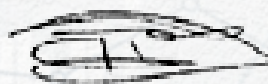
company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

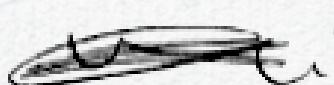
The directors have reviewed the company's cash flow forecast for the year to 30 June 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The financial statements set out on pages 9 to 44, which have been prepared on the going concern basis, were approved by the board of directors on 02 June 2025 and were signed on their behalf by:



Bakalanga Malikongwa



Winnie Winani Sekani

Copyright Society of Botswana
(Registration number BW00000230497)
Financial statements
for the year ended 30 June 2024

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Copyright Society of Botswana for the year ended 30 June 2024.

1. Incorporation

The company is domiciled in Botswana where it is incorporated as a private company limited by guarantee under the Companies Act of Botswana. The address of the registered office is set out on page 1.

2. Nature of business

The Copyright Society of Botswana was established to license and collect royalties from users of copyright protected works and to distribute them to the copyright owners. There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Botswana. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directorate

The directors in office at the date of this report are as follows:

DIRECTORS	OFFICE	DESIGNATION	NATIONALITY
Bakalanga Malikongwa	Board Chairperson	Non-executive	
Ookeditse Moyambo	Vice Board Chairperson	Non-executive	
Winnie Winani Sekani	Treasurer	Non-executive	
Alfred Morwaledi Mosimanegape		Non-executive	
Moetlanye Mphoeng		Non-executive	
Mpho Motlhasedi		Non-executive	
Benjamin Mogotsi		Non-executive	
Kabelo Eric Kgaodi		Non-executive	
Patrick Setsiba		Non-executive	
Kelebonye Sibanyoni		Non-executive	
Martin Ntongana		Non-executive	
Staffnurse Bangu Lesetedi-Keothepile		Non-executive	
Lethogonolo Makwinja		Executive	

There have been no changes to the directorate for the year under review. 5. Events after the Events

Copyright Society of Botswana

(Registration number BW00000230497)

Financial statements

for the year ended 30 June 2024

Directors' Report

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

We draw your attention that at 30 June 2024, the company has incurred a loss of P3,507,238 (2023:P4,628,631) and had accumulated losses of P2,948,628. The company's current liabilities exceeded its current assets by P5,328,002 (2023:1,920,875).

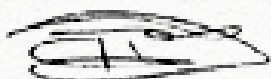
The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to produce funding for the ongoing operations of the company.

7. Secretary

The company secretary is Baker Tilly Botswana.

The financial statements set out on pages 9 to 44, which have been prepared on the going concern basis, were approved by the board of directors on 02 June 2025 and were signed on its behalf by:

Approval of annual financial statements



Bakalanga Malikongwa



Winnie Winani Sekani

Copyright Society of Botswana
(Registration number BW00000230497)
Financial statements
for the year ended 30 June 2024



Plot 54373, Matante Mews, 1st Floor
CBD, Gaborone, Botswana

P O Box 604 AAH, CBD
Gaborone, Botswana

Independent Auditor's Report

To the Members of Copyright Society of Botswana

Opinion

We have audited the annual financial statements of Copyright Society of Botswana set out on pages 9 to 42, which comprise the statement of financial position as at 30 June 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Copyright Society of Botswana as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Botswana Institute of Chartered Accountants (BICA) code, which is consistent with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the BICA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 26 to the financial statements, which indicates that the company incurred a net loss of P3,507,238 during the year ended 30 June 2024 (2023: P4,628,631) and, as of that date, the company's current liabilities exceeded its current assets by P5,328,002 (2023: P1,920,875). The note states that these events or conditions, along with other matters as set forth in Note 26 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Partner: Mameo S D Mesotlo (FCCA, FCPA, IIAB, ACFE) | Partner Blessing Nengomazha (CA-ZIM, FCPA)

Copyright Society of Botswana
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Independent Auditor's Report

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Copyright Society of Botswana annual financial statements for the year ended 30 June 2024", which includes the Directors' Responsibilities and Approval, Directors' Report and the supplementary information as set out on pages 43 to 44. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant-audit findings, including any significant deficiencies in internal control that we identify during our audit.

MSD Mesotlo & Associates

Maemo SD Mesotlo & Associates
Firm of Certified Auditors
Practicing member: Maemo SD Mesotlo
(CAN 0012 2025)

06 June 2025
Gaborone

Copyright Society of Botswana
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Statement of Financial Position as at 30 June 2024

FIGURES IN PULA	NOTE(S)	2024	2023
ASSETS			
Non-Current Assets			
	3	408,411	413,180
Property, plant and equipment	4	3,125,072	3,326,091
Right-of-use assets	5	15,287	30,573
Intangible assets		3,548,770	3,769,844
Current Assets			
Trade and other receivables	6	4,089,632	3,607,083
Cash and cash equivalents	7	35,400,206	25,184,054
		39,489,838	28,791,137
Total Assets		43,038,608	3,769,844
EQUITY AND LIABILITIES			
Equity			
Accumulated loss		(2,948,628)	558,610
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	4	1,169,396	1,290,359
CURRENT LIABILITIES			
Trade and other payables	10	4,079,244	2,837,651
Lease liabilities	4	285,591	475,011
Deferred income	8	12,091,630	4,578,417
Provisions	9	28,361,375	22,820,933
		44,817,840	28,791,137
Total Liabilities		30,712,012	32,002,371
Total Equity and Liabilities		43,038,608	32,560,981

Copyright Society of Botswana
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Statement of Profit or Loss and Other Comprehensive Income

FIGURES IN PULA	NOTE(S)	2024	2023
Revenue	11	20,180,354	18,536,737
Royalty distribution	12	(14,540,081)	(11,270,071)
Gross profit		5,640,273	7,266,666
Other operating income	13	158,327	370,926
Royalty distribution unclaimed	14	3,563,601	-
Other operating expenses		(13,077,284)	(12,676,284)
Operating loss	15	(3,715,083)	(5,038,692)
CURRENT LIABILITIES			
Investment income	16	4,079,244	2,837,651
Finance costs	17	285,591	475,011
Total comprehensive loss for the year		(3,507,238)	(4,628,631)

Copyright Society of Botswana
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Statement of Changes in Equity

FIGURES IN PULA	ACCUMULATED LOSS	TOTAL EQUITY
Balance at 01 July 2022	5,187,241	5,187,241
Total comprehensive Loss for the year	(4,628,631)	(4,628,631)
Balance at 01 July 2023	558,610	558,610
Total comprehensive Loss for the year	(3,507,238)	(3,507,238)
Balance at 30 June 2024	(2,948,628)	(2,948,628)
Note(s)		

Copyright Society of Botswana
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Statement of Cash Flows

FIGURES IN PULA	NOTE(S)	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(used in) operations	21	10,392,406	(4,721,879)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(73,717)	(62,755)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest income		362,669	588,652
Payments on lease liabilities	4	(310,382)	(283,941)
Finance costs	17	(154,824)	(178,591)
Net cash from financing activities		(102,537)	126,120
Total cash movement for the year			
Cash and cash equivalents at the beginning of the year		10,216,152	(4,658,514)
Cash and cash equivalents at the end of the year	7	35,400,206	25,184,054

Copyright Society of Botswana
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for the year ended 30 June 2024

Significant Accounting Policies

Corporate information

Copyright Society of Botswana is a company limited by guarantee incorporated and domiciled in Botswana.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Pulas, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes in the statement of profit or loss and other comprehensive income. The structure of the presentation was amended to make the financial statements more presentable to the users of the financial statements.

These financial statements were approved by the board of directors on 02 June 2025.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies

and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The annual financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts

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of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

1.3 Property, plant and equipment (continued)

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses except for land which is stated at cost less any impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by

management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of the lease term and the expected useful life of the leased assets. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date the asset is held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Depreciation rate
Furniture and fixtures	Straight line	10%
Motor vehicles	Straight line	25%
Office equipment	Straight line	15%
IT equipment	Straight line	25%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in the accounting estimate.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to align the carrying amount with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of the item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in the profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are initially recognised at cost. Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

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The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	4 Years

1.5 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company, are as follows:

Financial liabilities:
- Amortised cost

Note 25 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets and are subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect

the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The cost amortised is the amount initially recognised on the receivable, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the the expected life of the receivable.

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1.5 Financial instruments (continued)

Measurement and recognition of expected credit losses The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 15).

Write-off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. After 1 year, the circumstances of the account and collection efforts will be submitted to Board with appropriate recommendations. Where account receivables can't be collected a full provision is made and details are submitted to Board with full recommendations. Any recoveries made are

recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables (note 6) and the financial instruments and risk management note (note 25).

Trade and other payables

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Trade and other payables are recognised when the company becomes a party to the contractual provisions of trade and other payables. They are measured at fair value plus transaction costs at initial recognition.

They are subsequently measured at amortised cost using the effective interest method. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in the profit or loss in the finance costs (note 17).

Trade and other payable expose the company to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

Trade and other payables are derecognised when the obligation is settled, the creditor releases the company from the obligation or the obligation expires.

Cash and cash equivalents

Cash and cash equivalents compromise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in

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value. Cash and cash equivalents are measured at amortised cost and stated at carrying amount which is deemed to be fair value.

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is “identified”, which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identifiable asset, the right to control the use thereof is considered. To this end, control over the use of the identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgements and sources of estimation uncertainty section of these accounting policies.

1.6 Leases (continued)

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note

14) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of the contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand alone price of the non-lease components (where non-lease components exist). Details of leasing arrangements where the company is a lessee are presented in note 4 Leases (company as lessee).

Lease liability

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of the purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

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The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 17).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

1.6 Leases (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the

underlying asset. Depreciation starts at the commencement date of a lease.

For the right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

1.7 Impairment of assets

The company assesses at each end of reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also tests intangible assets with an indefinite useful life or intangible assets not yet available for use, for impairment annually by comparing its carrying amount with its recoverable amount.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the

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asset is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset, other than goodwill, attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in the prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.8 Employee benefits

Short-term employee benefits

1.8 Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

The Copyright and Neighboring Act required COSBOTS to distribute royalties to owners of the copyright, of which the distribution should be made within the scheduled dates stipulated in the Membership and Distribution rules, this creating an obligation to be honoured annually. The Board of Directors proposes, through resolutions, an amount to be distributed to the members. The amount remains a proposal until approved by the Copyright Office at Companies and Intellectual Property Authority (CIPA).

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.10 Revenue from contracts with customers

The company recognise revenue from the following major sources:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognise revenue when it satisfies its obligation (issuing licenses) to customers. License fees are based on license assessments for the use of copyright work. Revenue is considered to be earned over time

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when the users make use of the copyright work over the licensed period. Payments received in advance beyond the fee for the licensed period are treated as deferred income.

Revenue recognition follows a five-step model framework as follows:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the company satisfies the performance obligations

1.11 Royalty distributions

This amount represents net revenue from license revenue available for royalty distributions. Royalty distributions are standard processes, whereby net license income from the licensing

of public performance, broadcast and rights in copyrighted works, owned by those whose rights are administered by COSBOTS is allocated in the form of royalties to those rights holders whose copyrighted works were logged as performed, broadcast or played by licensed users of copyright work during the year.

1.12 Investment revenue

Investment income compromise of interest earned from short-term liquid investments placed with local commercial banks. Interest is recognised on a time proportion basis according to the effective interest rate method which takes into account the effective yield on the asset over the period it is expected to be held. Interest is recognised on an accrual basis.

1.11 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

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2. New Standards and Interpretations

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the company is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2023 financial statements.

The amendment makes reference to the Conceptual Framework for Financial Reporting issued in 2018 rather than to the IASC's Framework for the Preparation and Presentation of Financial Statements. The amendment specifically points to the treatment of liabilities and contingent liabilities acquired as part of a business combination, and which are in the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies. It clarifies that the requirements of IAS 37 or IFRIC 21 should be applied to provisions, contingent liabilities or levies to determine if a present obligation exists at the Acquisition date. The amendment further clarifies that contingent assets of acquirees share not be recognised as part of the business combination.

The effective date of the company is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2023 financial statements.

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the company is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2023 financial statements. The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts is now specifically required.

The effective date of the company is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2023 financial statements.

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the company is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2023 financial statements.

"Taxation" has been removed from the list of cash flows excluded from the fair value determination of biological assets.

The effective date of the company is for years beginning on or after 01 January 2022.

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The company expects to adopt the amendment for the first time in the 2023 financial statements.

An insurer applying the temporary exemption from IFRS 9 shall apply the new requirements of IFRS 9 concerning situations where a change in the basis for determining the contractual cash flows of a financial asset or financial liability is required by interest rate benchmark reform.

2. New Standards and Interpretations (continued)

The effective date of the company is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

The amendment sets out additional disclosure requirements related to interest rate benchmark reform.

The effective date of the company is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the company is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment. The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the company is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

Temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of financial items as hedged items have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the company is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for if it were not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the

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consideration for the lease immediately preceding the change;

- any reduction in lease payment affects only payments originally due on or before 30 June 2022 and
- there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after 01 June 2020.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

2. New Standards and Interpretations (continued)

Temporary exceptions have been created by the IASB concerning the application of specific hedge accounting requirements as a result of the interest rate benchmark reform. These exceptions apply only to those hedging relationships which are directly affected by the reform, being those where the reform gives rise to uncertainties about:

- a. the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or
- b. the timing or the amount of interest rate benchmark -based cash flows of the hedged item or of the hedging instrument.

The exceptions are as follows:

- a. When determining whether a forecast transaction is highly probable, it shall be assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.
- b. When assessing the economic relationship between the hedged item and the hedging instrument, entities shall, in their prospective assessments, assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the reform.
- c. Entities applying IAS 39 for hedge accounting are not required to undertake the IAS 39 retrospective assessment for hedging relationships directly affected by the reform.
- d. For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at inception of such hedging relationships.

Entities shall cease applying the exceptions when the uncertainty arising from the reform is no longer present or when the hedging relationship is discontinued.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

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FIGURES IN PULA	NOTE(S)	2024	2023
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3. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	249,729	(182,403)	67,326	235,710	(169,486)	66,224
Motor vehicles	87,879	(20,139)	67,740	-	-	-
Office equipment	83,855	(48,933)	34,922	83,855	(36,355)	47,500
IT equipment	897,563	(659,140)	238,423	837,865	(538,409)	299,456
Other property, plant and equipment	6,500	(6,500)	-	6,500	(6,500)	-
Total	1,325,526	(917,115)	408,411	1,163,930	(750,750)	413,180

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Reclassification from right of use assets	Depreciation	Total
Furniture and fixtures	66,224	14,019	-	(12,917)	67,326
Motor vehicles	-	-	87,879	(20,139)	67,740
Office equipment	47,500	-	-	(12,578)	34,922
IT equipment	299,456	59,698	-	(120,731)	238,423
Total	413,180	73,717	87,879	(166,365)	408,411

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	70,031	7,959	(12,917)	66,224
Office equipment	34,901	23,590	(20,139)	47,500
IT equipment	390,103	31,206	(12,578)	299,456
Total	495,035	62,755	(166,365)	413,180

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FIGURES IN PULA	NOTE(S)	2024	2023
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Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the finance leases:

Land and buildings	3,125,072	3,219,755
Motor vehicles	-	106,337

Security held:

Land and buildings

- 1st Continuing Covering Mortgage Bond for BWP 2, 153, 000 over Plot 93 Sectional Unit Lease Area 1007-KO GICP, Gaborone Commercial (900 sqm)
- Registered Cession of Fire Policy for BWP 2, 300, 000.00.

Registers with the details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

4. Leases (company as lessee)

The company has purchased land & buildings under a finance lease arrangement.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

The finance is payable over 180 months at equal installments of about BWP 23, 799 at prime plus 3% interest rate compounded, and calculated daily on the outstanding loan balance, and debited to the loan account on a monthly basis in arrears.

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	3,787,297	(662,225)	3,125,072	3,787,297	(567,543)	3,219,754
Motor vehicles	-	-	-	1,023,992	(917,655)	106,337
Total	3,787,297	(662,225)	3,125,072	4,811,289	(1,485,198)	3,326,091

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Motor vehicles with carrying amount of P87,879 were transferred. Refer to note 3.

Buildings	3,125,072	3,219,754
Motor vehicles	-	106,337
Total	3,125,072	3,326,091

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FIGURES IN PULA	NOTE(S)	2024	2023
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4. Leases (company as lessee) (continued)

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 15), as well as depreciation which has been capitalised to the cost of other assets. Security held:

Buildings	94,682	94,682
Motor vehicles	18,458	195,501
Total	113,140	290,183

Other disclosures

Interest expense on lease liabilities	154,824	178,591
Leases of low value assets included in operating expenses	43,105	22,711

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	285,591	772,308
Two to five years	1,404,783	1,132,875
More than five years	428,386	671,364
	2,118,760	2,576,547
Less finance charges component	(663,773)	(811,177)
	1,454,987	1,765,370
Non-current liabilities	1,169,396	1,290,359
Current liabilities	285,591	475,011
	1,454,987	1,765,370

5. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	61,147	(45,860)	15,287	61,147	(30,574)	30,573

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, other	30,573	(15,286)	15,287

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software, other	61,147	(30,574)	30,573

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FIGURES IN PULA	2024	2023
6. Trade and other receivables		
Financial instruments:		
Trade receivables	2,270,249	3,402,067
Loss allowance	(911,759)	(2,504,490)
Trade receivables at amortised cost	1,358,490	897,577
Deposits	3,880	3,880
Other receivables	90,950	87,149
Non-financial instruments:		
Insurance prepaid	53,833	53,316
Employee costs in advance	82,479	65,161
Prepayments	2,500,000	2,500,000
Total trade and other receivables	4,089,632	3,607,083
Split between non-current and current portions		
Current assets	4,089,632	3,607,083
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	4,007,153	3,541,922
Non-financial instruments	82,479	65,161
	4,089,632	3,607,083

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

The loss allowance provision is determined as follows:

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FIGURES IN PULA	NOTE(S)	2024	2023
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6. Trade and other receivables (continued)

Expected credit loss rate:	2024		2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 16%	142,412	(5,790)	601,152	(96,184)
1-30 days past due: 61%	273,205	(25,847)	717,569	(437,717)
31-60 days past due: 63%	29,205	(3,035)	217,947	(137,307)
61-90 days past due: 79%	22,033	(3,190)	61,844	(48,857)
91-120 days past due: 83%	333,363	(55,756)	28,465	(23,625)
121-150 days past due: 83%	160,212	(44,514)	84,061	(69,771)
More than 151 days past due 100%	1,309,819	(773,627)	1,691,029	(1,691,029)
Total	2,270,249	(911,759)	3,402,067	(2,504,490)

Exposure to currency risk

The net carrying amounts, in Pula, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amount at the closing rate at the reporting date.

Pula Amount

Pula	4,007,153	3,541,922
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Forward exchange contracts

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	245	4,468
Current accounts	18,835,682	11,610,611
Call accounts	987,748	3,245,395
Fixed deposits accounts	15,576,531	10,323,580
	35,400,206	25,184,054

Surplus funds are invested in local commercial banks (Absa Bank Botswana, Stanbic Bank Botswana and Bank Gaborone) as fixed deposits. The interest earned is at an effective interest rate of 3.05% (2023: 3.30%). The proportionate amount of interest up to 30 June is added to the cost of investment to approximate fair value.

Exposure to currency risk

Pula Amount

Pula	35,400,206	25,184,054
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FIGURES IN PULA	NOTE(S)	2024	2023
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8. Deferred income

Revenue is considered to be earned over time as and when the users make use of the copyrighted work over the licensed period. Payments received in advance beyond the fee for the licensed period are treated as deferred income. Significant portion of the deferred income is from Department of Broadcasting Services.

Deferred income	12,091,630	4,578,417
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Split between non-current and current portions

9. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Reclassification during the year	Total
Social and cultural funds	981,143	-	(1,417,664)	-	1,178,586	742,065
Covid relief	49,000	-	(49,000)	-	-	-
Royalty distributions	21,790,790	14,292,107	(3,776,696)	(3,563,600)	(1,123,291)	27,619,310
Total	22,820,933	14,292,107	(5,243,360)	(3,563,600)	55,295	28,361,375

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Reclassification during the year	Total
Social and cultural funds	647,449	-	(496,306)	-	830,000	981,143
Covid relief	288,350	3,000,000	(1,751,000)	(1,488,350)	-	49,000
Royalty distributions	16,536,552	11,337,895	(3,674,183)	(1,579,474)	(830,000)	21,790,790
Total	17,472,351	14,337,895	(5,921,489)	(3,067,824)	-	22,820,933

The royalty provision represents management's best estimate of the company's liability towards the owners of copyrighted work. The distributable amount is determined by deducting administrative expenses, contributions to social and cultural fund and other provisions from gross revenue, and then management through an annual budget proposes the amount to the Board of directors. The Board

of Directors through a resolution makes the final decision of the distributable amount. The actual timing and amount of the distribution remains uncertain until it is approved by the Copyright Office.

10. Trade and other payables

Financial instruments:

Trade payables	339,515	119,924
Other payables	569,616	127,213
Payroll accruals	1,310,217	865,373
Purchases accrual	72,795	72,795

Non-Financial instruments:

VAT	1,787,101	1,652,346
	4,079,244	2,837,651

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	2,292,143	1,185,305
Non-financial instruments	1,787,101	1,652,346
	4,079,244	2,837,651

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FIGURES IN PULA	NOTE(S)	2024	2023
Exposure to currency risk			
The net carrying amounts, in Pula, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amount at the closing rate at the reporting date.			
10. Trade and other payables (continued)			
Pula Amount			
Pula		2,292,143	1,185,305
Forward exchange contracts			
11. Revenue			
Revenue from contracts with customers			
Royalty income		20,180,354	18,536,737
Disaggregation of revenue from contracts with customers			
The company disaggregates revenue from customers as follows:			
Royalty income			
Royalty income		20,180,354	18,536,737
Timing of revenue recognition			
Over time			
Royalty income		20,180,354	18,536,737
12. Royalty distributions			
Additions during the year		14,540,081	14,337,895
Royalty distribution written back		(3,563,601)	(3,067,824)
Rendering of services			
Other revenue from rendering of services		10,976,480	11,270,071
13. Other operating income			
Rental income		19,117	18,713
Other income		139,210	352,213
		158,327	370,926

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FIGURES IN PULA	NOTE(S)	2024	2023
14. Other operating gains (losses)			
15. Operating profit (loss)			
Operating loss for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees		60,668	91,735
Remuneration, other than to employees			
Consulting and professional services		259,899	605,773
Employee costs			
Salaries, wages, bonuses and other benefits		4,086,193	4,000,843
Retirement benefit plans: defined contribution expense		173,763	79,494
Termination benefits		369,652	427,089
Total employee costs		4,629,608	4,507,426
Depreciation and amortisation			
Depreciation of property, plant and equipment		166,365	144,610
Depreciation of right-of-use assets		113,140	290,183
Amortisation of intangible assets		15,287	15,287
Total depreciation and amortisation		294,792	450,080
Movement in credit loss allowances			
Trade and other receivables		-	778,678
Expenses by nature			
The total of royalty distributions, employee costs, marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:			
Royalty distributions		10,976,480	11,270,071
Employee costs		4,629,608	4,507,426
Lease expenses		43,105	22,711
Depreciation and amortisation		113,140	450,080
Operating expenses		6,190,627	7,696,067
		21,952,960	23,946,355
16. Investment income			
Interest income			
Investments in financial assets:			
Bank fixed deposits		362,669	588,652
17. Finance costs			
Lease liabilities		154,824	178,591

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FIGURES IN PULA	NOTE(S)	2024	2023
18. Other non-operating gains (losses)			
19. Employee costs			
Employee costs			
Salaries, wages, bonuses and other benefits		3,984,089	3,786,564
Leave pay provision charge		102,104	214,279
Retirement benefit plans: defined contribution expense		173,763	79,494
Termination benefits		369,652	427,089
		4,629,608	4,507,426
20. Depreciation, amortisation and impairment losses			
Depreciation			
Property, plant and equipment		166,365	144,610
Right-of-use assets		113,140	290,183
		279,505	434,793
Amortisation			
Intangible assets		15,287	15,287
Total depreciation and amortisation			
Depreciation		279,505	434,793
Amortisation		15,287	15,287
		294,792	450,080
21. Cash generated from/(used in) operations			
Loss for the year		(3,507,238)	(4,628,631)
Adjustments for:			
Depreciation and amortisation		294,792	450,081
Interest income		(362,669)	(588,652)
Finance costs		154,824	178,591
Net impairments and movements in credit loss allowances		(1,592,731)	1,032,837
Movements in provisions		5,540,442	5,281,193
Changes in working capital:			
Trade and other receivables		1,110,182	(4,080,618)
Trade and other payables		1,241,592	1,347,237
Deferred income		7,513,212	(3,713,917)
		10,392,406	(4,721,879)

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FIGURES IN PULA	NOTE(S)	2024	2023
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22. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Cash flows	Closing balance
Finance lease liabilities	1,765,370	(310,383)	1,454,987
	1,765,370	(310,383)	1,454,987
Total liabilities from financing activities	1,765,370	(310,383)	1,454,987

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Cash flows	Closing balance
Finance lease liabilities	2,049,311	(283,941)	1,765,370
	2,049,311	(283,941)	1,765,370
Total liabilities from financing activities	2,049,311	(283,941)	1,765,370

23. Related parties

Relationships

Non-executive director	Bakalanga Malikongwa
Non-executive director	Patrick Setsiba
Non-executive director	Alfred Mowaedi Mosimanegape
Non-executive director	Moletlanye Mphoeng
Non-executive director	Mpho Motlhasedi
Non-executive director	Benjamin Mogotsi
Non-executive director	Kabelo Eric Kgaodi
Non-executive director	Ookeditse Moyambo
Non-executive director	Kelebonye Sibanyoni
Non-executive director	Martin Ntongana
Executive director	Letlhogonolo Makwinja

Compensation to directors and other key management

Short-term employee benefits	1,822,421	1,702,319
Post-employment benefits - Pension - Defined contribution plan	171,763	79,494
	1,994,184	1,781,813

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FIGURES IN PULA	NOTE(S)	2024	2023
24. Directors' emoluments			
Non-executive			
2024			
Directors' emoluments		Directors fees	Total
Services as director or prescribed officer			
Bakalanga Malikongwa		101,250	101,250
Ookeditse Moyambo		69,000	69,000
Winnie Winani Sekani		61,250	61,250
Alfred Morwaledi Mosimanegape		50,750	50,750
Moletlanye Mphoeng		15,338	15,338
Mpho Motlhasedi		55,000	55,000
Benjamin Mogotsi		38,850	38,850
Kabelo Eric Kgaodi		38,750	38,750
Patrick Setsiba		41,500	41,500
Kelebonye Sibanyoni		38,000	38,000
Martin Ntongana		39,240	39,240
Staffnurse Bangu Lesetedi-Keothepile		52,500	52,500
		601,428	601,428
2023			
Directors' emoluments		Directors fees	Total
Services as director or prescribed officer			
Bakalanga Malikongwa		53,500	53,500
Ookeditse Moyambo		37,500	37,500
Winnie Winani Sekani		39,750	39,750
Alfred Morwaledi Mosimanegape		36,750	36,750
Moletlanye Mphoeng		28,750	28,750
Mpho Motlhasedi		36,750	36,750
Benjamin Mogotsi		20,367	20,367
Kabelo Eric Kgaodi		42,000	42,000
Patrick Setsiba		12,500	12,500
Kelebonye Sibanyoni		31,500	31,500
Martin Ntongana		28,510	28,510
Staffnurse Bangu Lesetedi-Keothepile		23,750	23,750
		391,627	391,627

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FIGURES IN PULA	NOTE(S)	2024	2023
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25. Financial instruments and risk management

Categories of financial instruments Categories of financial assets

2024

FIGURES IN PULA	NOTE(S)	AMORTISED COST	TOTAL	FAIR VALUE
Trade and other receivables	6	1,453,320	1,453,320	1,453,320
Cash and cash equivalents	7	35,400,503	35,400,503	35,400,503
		36,853,823	36,853,823	36,853,823

25. Financial instruments and risk management (continued)

2023

	NOTE(S)	AMORTISED COST	TOTAL	FAIR VALUE
Trade and other receivables	6	988,606	988,606	988,606
Cash and cash equivalents	7	25,184,351	25,184,351	25,184,351
		26,172,957	26,172,957	26,172,957

Categories of financial liabilities 2024

	NOTE(S)	AMORTISED COST	LEASES	TOTAL	FAIR VALUE
Trade and other receivables	10	2,292,143	-	2,292,143	2,292,142
Finance lease obligations	4	-	1,454,987	1,454,987	1,454,987
		2,292,143	1,454,987	3,747,130	3,747,129

2023

	NOTE(S)	AMORTISED COST	LEASES	TOTAL	FAIR VALUE
Trade and other receivables	10	1,185,305	-	1,185,305	1,136,709
Finance lease obligations	4	-	1,765,370	1,765,370	1,765,370
		1,185,305	1,765,370	2,950,675	2,902,079

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FIGURES IN PULA	NOTE(S)	2024	2023
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25. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments Gains and losses on financial assets

2024

Recognised in profit or loss:	NOTE(S)	AMORTISED COST	TOTAL
Interest income	16	362,669	362,669

2023

Recognised in profit or loss:	NOTE(S)	AMORTISED COST	TOTAL
Interest income	16	588,652	588,652
Movement in credit loss allowances	15	(778,678)	(778,678)
Net gains (losses)		(190,026)	(190,026)

Gains and losses on financial liabilities

2024

Recognised in profit or loss:	NOTE(S)	AMORTISED COST	TOTAL
Finance costs	17	(154,824)	(154,824)

2023

Recognised in profit or loss:	NOTE(S)	AMORTISED COST	TOTAL
Finance costs	17	(178,591)	(178,591)

25. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital (finance leases, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Lease liabilities		1,454,987	1,765,370
Trade and other payables	10	2,292,142	1,185,305
Total borrowings		3,747,129	2,950,675
Cash and cash equivalents	7	(35,400,206)	(25,184,054)
Net borrowings		(31,653,077)	(22,233,379)
Equity		(2,948,627)	558,610

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25. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk exposure arising on cash and cash equivalents is managed by dealing with well-established financial institutions with high credit ratings.

For trade receivables which do not carry a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instrument. For all other trade receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of the lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition of trade receivables.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	2,365,079	(911,759)	1,453,320	3,493,096	(2,504,490)	988,606
Cash and cash equivalents	7	35,400,503	-	35,400,503	25,184,351	-	25,184,351
		37,765,582	(911,759)	36,853,823	28,677,447	(2,504,490)	26,172,957

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure

and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at local banking institutions.

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FIGURES IN PULA		NOTE(S)	2024	2023	
25. Financial instruments and risk management (continued)					
The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.					
2024		1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		1,404,783	428,386	1,833,169	1,169,396
Current liabilities					
Trade and other payables		-	-	-	2,292,143
Lease liabilities		-	-	-	285,591
Bank overdraft	7	-	-	-	297
		1,404,783	428,386	1,833,169	3,747,427
2023		1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		1,132,875	671,364	1,804,239	1,290,359
Current liabilities					
Trade and other payables	10	-	-	-	1,185,305
Lease liabilities		-	-	-	475,011
		1,132,875	671,364	1,804,239	2,950,675

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the company is comprised of finance leases, which bear interest at fixed rates. Interest rates on all borrowings compare favourably with those rates available in the market.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

26. Going concern

We draw attention to the fact that at 30 June 2024 the company had incurred a net loss of P3,507,238 (2023:

P4,628,631) and had accumulated losses of P 2,948,628. The company's current liabilities exceeded its current assets by P 5,328,002 (2023: P1,920,875).

26. Going concern (continued)

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance the future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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FIGURES IN PULA	NOTE(S)	2024	2023
Revenue			
Royalty income		20,180,354	18,536,737
Cost of sales			
Royalty distributions		(14,540,081)	(11,270,071)
Royalty distribution unclaimed		3,563,601	-
	12	(10,976,480)	(11,270,071)
Gross profit		9,203,874	7,266,666
Other operating income			
Rental income		19,117	18,713
Other income		139,210	352,213
	13	158,327	370,926
Expenses (Refer to page 44)		(13,077,284)	(12,676,284)
Operating loss	15	(3,715,083)	(5,038,692)
Investment income	16	362,669	588,652
Finance costs	17	(154,824)	(178,591)
Total comprehensive loss for the year		(3,507,238)	(4,628,631)

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FIGURES IN PULA	NOTE(S)	2024	2023
Other operating expenses			
Administration and management fees		-	(167,919)
Advertising		(277,112)	(219,375)
Amortisation		(15,287)	(15,287)
Auditor's remuneration - external audit	15	(60,668)	(91,735)
Bad debts		(638,665)	(1,032,837)
Bank charges		(44,683)	(72,768)
Cleaning		(7,225)	(378,679)
Commission paid		(14,579)	(30,625)
Accounting fees		(3,000)	(66,000)
Consulting fees		(82,926)	(203,790)
Legal fees		(173,973)	(335,983)
Special General Meeting		-	(329,959)
Depreciation		(279,505)	(434,794)
Donations		(490)	-
Employee costs		(4,629,608)	(4,507,426)
Membership expenses		(143,316)	(6,658)
Licensing expenses		(94,422)	(663)
Board expenses		(3,380,762)	(1,364,822)
Monitoring expenses		(650,146)	(565,048)
Other expenses		(101,375)	(64,864)
Recruitment		-	(31,487)
Insurance		(71,761)	(68,748)
IT expenses		(195,769)	(321,602)
Leases of low value assets		(43,105)	-
Levies		(26,853)	(40,446)
Motor vehicle expenses		(343,580)	(183,627)
Municipal expenses		(69,727)	(61,799)
DBS Project		(100)	(731,005)
Postage		(1,480)	(7,760)
Printing and stationery		(126,662)	(131,546)
Repairs and maintenance		(29,747)	(28,641)
Security		(86,341)	(72,242)
Staff welfare		(122,538)	(74,381)
Subscriptions		(95,645)	(19,858)
Telephone and fax		(253,931)	(242,328)
Training		(149,420)	(113,484)
Travel - local		(511,206)	(347,208)
Travel - international		(351,678)	(310,890)
		(13,077,285)	(12,676,284)



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